US Cable of Minnesota proposes to build a 557 Middle Mile fiber optic infrastructure extending through 17 counties in southern Minnesota. The project is a public-private partnership with the State of Minnesota, and has been embraced by community anchor institutions and Last Mile providers. The project reaches underserved and economically distressed areas of southern Minnesota and meets all of the criteria for a Comprehensive Community Infrastructure application. Our project will jump start economic growth and job creation in southern Minnesota. Southern Minnesota suffers from chronic underinvestment. The region is primarily rural, with nearly 12,000 farms and the largest share of agricultural employment in the State. It is home to an aging workforce and a declining, vulnerable population. The region has seen declining population since 1970 according to an article in the Rural Minnesota Journal (January 2006). Its existing technology is outdated and increasingly inadequate to meet the demands of the community. Large numbers of youth tend to leave the area due to limited career opportunity and low wages. Median labor rates are 20% below the statewide average of $15.25/hour, resulting in economic hardship and distressed communities. There is promise, however, in the growth of small businesses that are seeing opportunities in renewable energy, health care and manufacturing. There has been an increase in entrepreneurship and small businesses with fewer than 20 employees. A report from the Southwest Minnesota Workforce Council concludes that the growth of 'clean technologies' and need for healthcare services can reverse the trend of outmigration. Against this backdrop, a highly sophisticated broadband network will be a powerful tool in helping to transform southern Minnesota. The State of Minnesota has been a strong proponent of broadband for many years. They currently operate their own network, MNet, and act as agent for most state facilities in deployment of broadband. From their letter of partnership, the State clearly recognizes that it lacks a high-speed, neural network for critical state services and redundancy for public safety. 'This project is particularly important to the State because it provides direct connections through state HUBs. When connected through state fiber from Owatonna to the 511 Building, a backbone ring will be completed, thus connecting the State to rural areas that currently lack broadband. There are hundreds of community anchor institutions, currently served on state facilities, which will have the opportunity to benefit from the project. They will receive faster speeds, lower cost, and redundancy through the Middle Mile infrastructure proposed by US Cable.' Importantly, the State has participated in the design of the proposed network to include critical interconnections at their HUB locations. Over the last year, they have introduced us to key departments within the State, including the University of Minnesota, the Minnesota Judicial Branch, the Bureau of Criminal Apprehension (BCA), and Minnesota State Colleges and Universities (MnSCU). All have provided independent letters of endorsement. Through MnSCU, the
largest single provider of higher education in the State, we will be connecting requested state college locations in our plan. The state has been our partner every step of the way and has stated that our partnership is at ‘the highest level permitted by statutes and has been reviewed by the attorney general.’ In addition to the hundreds of entities connected by the State, community anchor institutions within the US Cable Middle Mile Service Areas have also embraced the project. They include county and local governments, libraries and library associations and educational cooperatives like SOCRATES and the South West Service Cooperative, which represent K-12 Schools. Based on community input, the inefficient patchwork of connectivity that currently exists is inadequate to meet the demands of businesses and community anchor institutions in the area. The Upper Sioux Community in Granite Falls, for example, requires higher speed connection to their tribal courthouse and improved last mile services for their residences. Our project will provide that access to fiber. The impact of the US Cable project, however, will extend far beyond the constructed 557-mile fiber optic infrastructure. With 299 community anchor institutions and 4039 businesses passed, it will affect every aspect of community life in southern Minnesota as it radiates out into southern Minnesota and beyond through Last Mile service providers. Our project consists of 20 Middle Mile Service Areas covering 2,672 square miles in rural, underserved areas of southern Minnesota. It is directed toward economically distressed areas in the counties of LeSueur, Redwood, Renville, Meeker and communities of Elysian, Le Center, Lamberton, Morgan and Redwood Falls. It will provide job growth by connecting young entrepreneurs to an advanced broadband infrastructure and aid in the redevelopment of communities transitioning from farming to crop-based businesses. The proposed Middle Mile network is designed to provide 100 Gigabits with initial activation of 10 Gigabits. It will deliver 1 Gigabit connections to anchor institutions. The network will have 20 access points of which 9 (including 4 State HUBs) have been designated by the State. The proposed network will terminate at the state HUB in Owatonna, where it will meet state-owned fiber and transit westerly to the 511 Building in downtown Minneapolis. On the west side, the network will terminate at the state-designated site in Litchfield, where it will connect with US Cable's parent company's network and transit easterly to the 511 Building. When connected from the west and east to the 511 Building, our Middle Mile project will become part of a redundant ring. Last Mile Service Providers have also supported this project. To date, we have received commitments from several last mile providers who want to transport their broadband traffic on our network. The Upper Sioux Community is a Last Mile provider that also currently lacks adequate bandwidth to serve their 479 residents. Our project will provide access and leverage the ANA Grant that they received in 2007 to bring fiber to the home. We also have a commitment from MVTV, a last mile wireless provider who was a Round 1 winner of an RUS BIP award. The applicant, US Cable of Minnesota, Inc., was formed as a wholly-owned subsidiary of US Cable of Coastal-Texas (the 'Parent'). If successful, the Parent will contribute the 30% non-federal cost match in cash of the total network cost of $17,349,911. In addition, the applicant will be able to draw on the many resources of the parent, including its management team and information systems. We have also structured our proposal to be sustainable. The State appreciates the importance of sustainability by indicating that they will connect 15 sites to the network at standard contract rates. Our management team understands how to build and operate advanced telecommunications systems. Our local management, supported by Corporate, has built and operated broadband networks in Minnesota for the last 10 years. We have successfully built a high-speed network in north central Minnesota and have implemented applications for community anchor institutions,
including distance learning and medical imaging. Our team lives by our 9 core business principles that focus on the customer, integrity without compromise, and teamwork. We anticipate that our project will have a positive impact on employment throughout the area. Initially, our company employment will increase by 8. Two will be employed for the three-year term of the build-out, with 6 permanently required to meet anticipated demand. In addition, our contractors will add 26 employees. US Cable of Minnesota, Inc. is in partnership with the State of Minnesota. Our project has been embraced by communities, community anchor institutions and Last Mile providers. Our proposed network runs through rural, underserved southern Minnesota. This fiber network will enhance the availability and affordability of end user broadband connectivity and help community anchor institutions in fulfill their missions.