

## **Broadband USA Applications Database**

**Applicant Name:** Smithville Digital, LLC

**Project Title:** Fiber Optic Infrastructure Connectivity for Greene County Schools and Communities

**Project Type:** Middle Mile

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### **Executive Summary**

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Executive Summary Smithville Digital – Broadband Project Proposal Background and Opportunities Addressed: Smithville Digital, LLC is an affiliate company of Smithville Telephone, Inc. It is accounted for and treated as a separate company, but does leverage Smithville Telephone Company Employees as contract labor. Smithville Telephone Company Incorporated (STC) is a Title II RUS borrower and an Incumbent Local Exchange Carrier (ILEC) serving approximately 30,000 subscribers in twelve (12) exchanges located in fifteen (15) counties in central and south central Indiana. STC serves approximately 10,500 DSL subscribers, but because of the speed/distance limitations of the copper plant, the majority of these DSL customers are limited to less than 768 KBPS. All central offices and most remote switches are interconnected with multiple SONET rings and multiple 10GigE rings are presently being implemented to deliver video and other high speed data applications throughout the serving area. Smithville Digital provides customized data services to businesses, schools, and other users with sophisticated requirements. Smithville Digital utilizes the fiber infrastructure of STC while in its territory, and builds all of the fiber optic plant outside STC territory in the rest of the state. All fiber connections have been established on a case by case basis to reach out and provide data services to these businesses, schools and other users. However, there are still many more of these type users with needs that Smithville Digital and STC have not been able to economically address. General Description of the Proposed Funded Service Areas: Greene County is a 100% Rural County that supports five separate school systems. Two of the school systems are located in Smithville Telephone Company territory, and are currently served with fiber optic cable. One Elementary School in Worthington, and three other High Schools located in Bloomfield, Jasonville and Linton do not have access to fiber. This project proposes to connect all five High Schools and one Elementary school with fiber. This will require a build from the edge of Smithville territory to the four towns that are currently underserved for middle mile broadband access, a total of 37 fiber miles. The four towns are small and only support a few mid to large size businesses that would normally trigger a fiber build by the incumbent LEC provider. Households and Businesses Passed: Approximately 5958 households and 535 businesses (only 41 with 20 or more employees) will be passed and will have access to broadband service through this proposed project. Community Anchor Institutions, Public Safety Entities, and Critical Community Organizations Passed: In addition to the 6 schools there are a few other community anchor institutions that would greatly benefit with access to fiber. They include 4 Public Libraries, 3 Police Departments, 3 Fire Departments, 3 Government buildings, 2 health Clinics, 1 Sheriff, and 1 Hospital Proposed Services and Applications for the Proposed Funded Service Areas and Users: Smithville Digital will offer High-Speed Internet in increments of 1 Meg up to 1 Gig, point to point 1 gig Metro Ethernet Services, and sell dark fiber for use

by other service providers or businesses. Approach to Addressing the Non-Discrimination and Interconnection Obligations: All facilities that are being constructed utilizing grant funds for this project will be available to qualified, licensed Competitive Local Exchange Carriers in accordance with the Telecommunications Act of 1996 and Smithville Digital will adhere to the principles contained in the FCC's Internet Policy Statement. Multiple ISPs, VOIP providers, and other video providers will be capable of accessing the Smithville Digital fiber network and leasing either fiber or bandwidth, where available, at various aggregation points in the Smithville Digital network. Type of Broadband System That Will Be Deployed: The 100% optical Network of Smithville Digital will use the Ethernet standard and deliver IP services. Qualifications of Smithville Digital: Smithville Digital has a management team with a proven record of successfully managing business, both financially and technically, and has always displayed the foresight necessary to assure continued growth of the company and state-of-the-art services to customers. The management and ownership of Smithville Digital live in and near the communities they serve, most being born and raised there, and have a personal commitment to the growth of the area. Smithville Digital's affiliated LEC, STC, has an existing customer base of approximately 30,000 subscribers and an excellent reputation for service. This existing relationship with their subscriber population is expected to produce a high take rate for STC video and data services as well as a continued strong voice-based business. That same reputation and customer relationship is extended to Smithville Digital customers. As previously described, STC is already providing broadband services to portions of their network. An extensive fiber backbone network is already in place and additional 10GigE overlays are presently being implemented to support the additional bandwidth associated with video and FTTP data subscribers. STC is presently constructing FTTP facilities and has demonstrated the expertise and planning necessary to manage multiple projects with multiple outside plant contractors and manage cutover and turn-up of services. STC has in place not only an extensive fiber transport infrastructure, but also a business infrastructure to support and maintain a successful broadband service offering – beginning immediately and continuing for the long term. Technicians, installers, and maintenance personnel are trained and already cutting into service and maintaining the types of equipment which will be utilized on an existing FTTP project. Customer support personnel are already trained and actively engaged in supporting the deployment and operation of these services. Billing and records systems and necessary support personnel are already in place and actively handling the deployment and operation of broadband services. Overall Infrastructure Cost of the Broadband System: The overall infrastructure cost of the project including engineering is \$2,220,000. Overall Expected Subscriber Projections for the Project: Smithville Digital has determined that of the 535 businesses that are in the service area of this project, only 42 businesses have 20 or more employees and only 5 that have over 100 employees. These mid-size businesses are most likely to be able to take advantage of cost effective and high quality fiber optic services. Smithville Digital will initially target about 35 of these businesses and expects a take rate of over 70% or 11 of 15 business customers and 55% or 11 of 20 Strategic Institutions in the first 5 years of the project. Number of Jobs Estimated to be Created or Saved as a Result of This Project: Short Term: Outside Plant Construction for 3 Years – 13 CPE Preparation and Cutover for 3 Years – 3 Total Construction and Deployment Related - 22 Estimated Manufacturing Jobs from Matl. Used - 12 Grand Total Short Term (Estimated) 34 Long Term (Extrapolating based upon nationwide study by Connected Nation): Estimated Long Term Jobs Created In Project Area - 17