

Broadband USA Applications Database

Applicant Name: Heart of the Catskills Communications, Inc.

Project Title: Central Catskills Broadband Development Project

Project Type: Last Mile Remote

Executive Summary

Project Summary and Need: Heart of the Catskills Communications, Inc. d/b/a MTC Cable, ("MTC Cable") presents this shovel ready broadband internet project to serve remote, unserved pockets of the Central Catskills Mountains in Upstate New York. MTC Cable, in partnership with the Catskill Watershed Corporation, MARK Project Inc, Greene County Industrial Development Authority and local Municipalities propose a collaborative effort to extend broadband and other advanced telecommunications services covering over 800 square miles through five towns located within the New York City Watershed. This project includes a combination state of the art fiber-to-the-home wire-line technology and 900 Mhz wireless product, which will provide a cost effective and future rich solution for this economically disadvantaged rural and isolated geographic region. Applicant Qualifications: MTC Cable is a wholly-owned subsidiary of the Margaretville Telephone Company, ("MTC") an incumbent local exchange carrier (ILEC) in New York State. The Margaretville Telephone Company is an existing Rural Utilities Service (RUS) loan recipient (Ref# 136531) for funding utilized for plant upgrades. Since its establishment in 1916, MTC has kept pace with changing technologies. Today, MTC provides DSL coverage to 99% of its rural footprint, answers its customer service lines locally with a "live person", and has received the NYS Dept of Public Service Commendation for Excellent Service for the past 20 years. In 1996, MTC purchased the independent cable company providing video service within the existing ILEC footprint. The cable facilities were rebuilt in 1997 using a state of the art 750MHz hybrid-fiber-coaxial design, which could accommodate a host of new service offerings. Since then MTC Cable has grown both organically and through the acquisition of Time Warner systems in surrounding communities. Today, MTC Cable provides voice, video, and data to over 2600 customers. MTC and MTC Cable demonstrate the ability to operate facilities in rural areas through internal efficiencies, adaptation of new technologies, and leveraging partnerships which provide economies of scale. This experience, along with two successful trials of fiber-to-the-home deployments in extremely rural pockets, uniquely positions MTC Cable to continue the drive of broadband service even deeper into the rural unserved areas of the region. Opportunities: The project focus area and surrounding region is suffering permanent economic shifts due to its location within the New York City Watershed and the effects of the related Watershed Agreement. A study initiated by the Catskill Watershed Corporation emphasizes the importance of developing the economy through the use of "environmentally friendly" business development and support the need for increased access to technology. This project will connect the rural Catskills to development opportunities including marketing to a broader diverse audience; web based employment opportunities and most importantly, higher education. In the absence of broadband technology, the communities are prohibited from taking advantage of on-line educational opportunities

that in many cases, due to the remote locale, are the only means in which economically disadvantaged individuals can reach their educational goals. This project will build a more marketable and productive workforce and community. As noted by the Executive Director of the Mark Project “the rural nature of our communities and related poverty levels, economic distress and overall demographic diversity makes this project critical to the long term sustainability of our region”. Proposed Funded Service Areas: This project totaling \$2.7 million in new facilities spans five towns within three counties in the rural Catskill Mountains of Upstate New York. These communities suffer from generations of poverty due to the decline of the agricultural industry and related infrastructure. The region also suffers from the communities being a patchwork of served and unserved areas. This project will promote the economic and social development within the Towns of Middletown and Roxbury (Delaware County), Gilboa and Conesville (Schoharie County), and Halcott (Greene County) and the surrounding region. Households and Businesses: This project will provide broadband internet access to over 2600 households and 200 businesses in the rural Catskill Mountains. The opportunity it provides for future growth is boundless as it makes cottage industry and small business start-ups a viable option. This project will provide service to unserved areas where residents and businesses have been actively pursuing service options from providers for years. Community Anchors & Institutions: The remote, rural nature of the community anchors makes the need for broadband availability even more compelling. Currently, MTC Cable provides free broadband services to seven fire departments and will extend this offer to departments in the new service area. MTC Cable will serve 9 community anchors in the proposed service area. The fiber optic deployment will allow MTC Cable to enhance relationships with the emergency services organizations by offering transport access at cost for any radio tower or department communication needs. Telemedicine is a key component and the initial project includes an Ethernet connection between the local hospital and its parent facility nearly 50 miles away. MTC Cable will foster broadband awareness by providing services at discounted rates to local schools and free of charge to the libraries, town halls, and community centers within the proposed service area. The MARK Project has committed to work with schools, libraries, health care institutions, emergency services, and local governments to insure that the benefits reach every level of unserved and vulnerable population within the project area. This will be accomplished through the development and implementation of ongoing outreach and education programs coupled with direct and indirect economic development assistance to small business. Proposed Services and Network Type: The wire-line portion of the project will extend broadband service into unserved areas using a RF Over Glass (RFOG) passive optical network. The RFOG method combines the future-proof and reliable fiber optic transport medium with the already proven and operational RF platform. The RFOG solution provides dedicated fiber to each home using centralized splitter locations to ensure easy adaptation of future technologies. Maximum end user performance on the RFOG platform is currently 30 Mbs downstream and 5 Mbs upstream using DOCSIS 1.1 protocol. MTC anticipates moving to the DOCSIS 3.0 platform in the 2011 timeframe which can deliver over 100MBs data throughput. In addition, video and voice will be available providing a “triple play” of services to the end user. A total of 98 miles of fiber-to-the-home distribution plant will be constructed to pass the 1050+ homes. The wireless portion of the project will provide coverage to the extreme remote homes where the costs of providing wireline service is not cost effective. The Motorola Canopy 900 MHz product was chosen for its field proven performance and cost effective deployment. The Canopy solution will deliver a 2 Mbs downstream/1 Mbs upstream data rate and provide coverage to 1700+

homes in the Towns of Gilboa and Conesville alone. Non discrimination and interconnection: MTC Cable will comply with the Federal Communications Commission's Internet Policy statement, will publish network management policies on its website, and will offer interconnection consistent with the guidelines in the Notice of Availability of Funds including binding arbitration. The compelling benefit of the dedicated fiber FTTH proposal is the resiliency of the network and its ability to be technology neutral. The platform will have the capacity to leverage other essential telecommunications services on the same network enabling an array of services in a cost effective manner. Furthermore, the fiber facilities will pass locations suitable for cellular tower sites where historically the lack of backhaul facilities has limited the deployment of cellular service in the region. MTC Cable is a sub-contractor for cellular backhaul services and negotiations are under way for an agreement to expedite cellular deployment more efficiently in these rural locations. Subscriberhip Projections: MTC Cable projects over 1,000 subscribers including 594 residential broadband customers and 40 broadband business customers in the projected service area over the next 5 years. Job Creation: The ability to create both short term and long term jobs in this economically challenged region is a key benefit of the proposal. It is estimated that between 14-16 people will receive full time employment for the construction process. In addition, numerous man-hours will be outsourced to the engineering, manufacturing, and consulting organizations, which will assist with the roll-out of this project. Finally, and most importantly, between 2 and 3 full time employees will be hired to install, service, and maintain facilities in the expanded service area. This represents a 17% increase in the full-time workforce of MTC. The MARK Project projects that its business development and training efforts will result in the creation of 25 new jobs. Although the additional indirect job creation in the region is not calculable, the potential for eco-friendly new business development and existing business expansion will be greatly enhanced by the availability of technology in these unserved areas.