
DATE: March 6, 2014

FROM: Village of Sebewaing Michigan
Sebewaing Light and Water

TO: Federal Communications Commission (FCC) Staff

SUBJECT: Expression of Interest – Rural Trials
Docket No. 10-90



Background

The Village of Sebewaing is a municipality located in the mid-eastern portion of Michigan's Lower Peninsula in Huron County. The Village is within Sebewaing Township, Census track 063-12. This small community is known as the Sugar Beet Capital, due to the Michigan Sugar slicing mill located within the village and the yearly Michigan Sugar Festival. The Sebewaing area, the Thumb, and the state of Michigan overall are big beet sugar producers, mostly for US consumption. The town's name was derived from the Algonquian language of Native Americans, the original inhabitants of the area. Beginning in the mid-19th century, the town was settled by migrants of German ancestry. The Village of Sebewaing has a population of 1,759 based on the 2010 census, is 100% rural, and is surrounded by mostly farmland in the Michigan counties of Huron, Sanilac and Tuscola. This area is commonly known as the "Thumb of Michigan". These counties contain large numbers of households without access to fixed broadband. In fact, many of these households have access only to dial-up levels of service. Current FCC maps indicate that a population of 42,927 in the counties of Huron, Sanilac and Tuscola fall into the "Without Access" category. These residents will likely not receive access to modern broadband facilities without some form of assistance and be deprived of the economic and other benefits that a modern communication infrastructure provides.

Sebewaing Light and Water is a Michigan Municipal utility which provides electricity and water service to the residents of the Village serving 1000 households and 120 commercial and industrial customers. The largest customer is Michigan Sugar at their sugar beet processing facility. The Village has also begun construction of a fully modern fiber-to-the-home network (FTTH) that will be completed in the spring of this year. This network will be able to provide the most robust of broadband services including the ability to deliver up to 1 GB service to the home. This network will be among the most advanced in the country, rivaling the networks being installed by Google in Kansas City and Austin TX, and public fiber-to-the-home networks in Chattanooga, Tennessee and Lake Charles, Louisiana. The FTTH network currently under construction in the Village of Sebewaing can easily be extended to the areas "Without Access" in Huron, Sanilac and Tuscola counties simply by adding fiber lines via the existing electric infrastructure in Huron, Sanilac and Tuscola counties if funds can be made available to support such a project. The Village of Sebewaing would partner with the other electric providers in the area and extend its FTTH network to households "Without Access"

providing up to 1Gb service to residents, businesses and institutions that otherwise would have no chance of receiving this type of service. This project would provide an affordable and effective way to deliver fiber-to-the-home services to the nearly 43,000 underserved population in the Thumb region of Michigan and create economic and social benefits that would otherwise not be possible.

Geographic Territory and Anchor Institutions

Our full deployment area includes the eligible portions of Huron, Sanilac and Tuscola counties in Michigan. In this area we estimate that there are roughly 15,000 homes and 1,600 businesses. We believe the density in these areas to be below 8 homes per mile. We believe that there are 120 critical community facilities and public safety entities made up of schools, libraries, medical/healthcare providers, public safety entities, colleges and government support facilities. These anchor institutions include:

- Scheurer Hospital
- Coventry Hospital
- Sebewaing Library
- Chris the King Lutheran School
- Sebewaing US Post Office
- Village of Sebewaing
- Sebewaing Township
- Sebewaing Township Fire Department

Proposed technology and scalability

Recognizing the significant potential of a fiber-to-the-home network (FTTH), the Village of Sebewaing contracted with Pulse Broadband (www.pulsebroadband.com) a leader in the design and deployment of rural broadband networks to design a network using gigabit passive optical network (GPON) electronics. At the appropriate time, they will assist us in engineering the remainder of our network. The Village of Sebewaing's network is scalable, possessing the potential for a gigabit of service to every home or business in our proposed footprint. Initially the following plans will be offered.

Residential High-Speed Internet Packages

Basic: Up to 20 mbps downstream and 10 mbps upstream

\$35.00/month

Advanced: Up to 50 mbps downstream and 20 mbps upstream

\$50.00/month

Ultra: Up to 100 mbps downstream and 25 mbps upstream

\$99.95/month

Business High-Speed Internet Packages

Basic: Up to 20 mbps downstream and 20 mbps upstream

\$79.95/month

Advanced: Up to 50 mbps downstream and 50 mbps upstream

\$129.95/month

Ultra: Up to 100 mbps downstream and 50 mbps upstream

\$199.95/month

Unlimited Local and Long Distance Telephone within the U.S., Canada, Dominican Republic, Bahamas, U.S. Virgin Islands, Puerto Rico and Guam. International calling plans and other features are also available.

Residential: Includes three-way calling, caller ID (number), call ID blocking, call return, call forwarding, call waiting and voice mail.

\$40.00/month

Business: Includes three-way calling, caller ID (name and number), call forwarding, hunting and voice mail.

\$50.00/month

State and/or Local or Tribal Government Participation in and/or Support for Project

Potential partners in support of this project include:

Huron and Sanilac Economic Development Corporation.

Thumb Electric Cooperative who has over 2,000 miles of electric lines servicing 12,000 customers in the 3 county region.

Croswell Light and Power, a Michigan Municipal with 30 miles of electric lines and 800 customers in Sanilac County.

Existing Providers

Rural townships in Huron, Sanilac and Tuscola counties are mostly devoid of anything other than dial-up, satellite and Mobile Wi-Fi (MiFi).

Project Timeline

This project is “shovel-ready”. Construction has already started on the core FTTH network that will serve the Village of Sebewaing. Beta customers will be active in spring of this year. All that is required is the extension of fiber lines into the areas “Without Access” in Huron, Sanilac and Tuscola counties.

Pulse Broadband is prepared to begin design of the extended areas and our construction contract terms are already in place.

Total Project Investment

Based on 1,937 miles of fiber plant reaching 11,034 unserved homes of Huron, Sanilac and Tuscola counties, we estimate the total construction cost to be \$47,350,000. The total annual FCC available funds in these counties sum to \$9,110,867. We are requesting a lump sum (based on 5 years) FCC investment of \$45,554,336. Sebewaing Light and Water has invested nearly \$300,000 in our headend that will serve these areas. We are willing to source the remaining \$1,796,514 required to build to these areas.

These estimates will be detailed further over the next months.

Total Estimated Project Cost:	\$47.4 million
Sebewaing Investment:	\$0.3 million
Ideal FCC Investment:	\$45.5 million (one-time capital expenditure)
Amount to be Financed:	\$1.8 million
Total Customers Served:	11,000 (estimated)

For More Information:

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