



Habersham Electric Membership Corporation

6135 State Hwy. 115 W., P.O. Box 25, Clarkesville, GA 30523-0095 Phone (706) 754-2114 or (800) 640-6812

DATE: March 7th, 2014

FROM: Todd Pealock – President & CEO
Habersham EMC

TO: Federal Communications Commission (FCC) Staff

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

Background

Habersham Electric Membership Corporation (HEMC) is a member-owned electric utility serving over 33,000 consumers in rural northeast Georgia. Our members include educational, residential, agricultural, commercial and industrial customers. In 2013, HEMC observed its 75th anniversary of proudly serving members in 6 rural counties of northeast Georgia. HEMC is a founding member of The North Georgia Network (NGN), which was the first recipient under the NTIA Broadband Technologies Opportunities Program (BTOP). It was also the first recipient to successfully finish a BTOP project by building an 1,100 mile, all-fiber optic network across 8 rural north Georgia counties. HEMC is currently providing electricity to 33,000 consumers and Trailwave Fiber Service to 1,500 residences and 300 businesses. (See www.trailwave.com for more details) Based on surveys and logged inquiries, we have received in excess of 10,000 requests for fiber connections to the home.

HEMC was one of the first electric cooperatives in Georgia to build a fiber optic network and provide broadband services over ten years ago. The decision to build and manage a fiber network was based on multiple requests from our local schools and governments. We provide retail services and support for up to a gigabit of broadband service as well as providing other services such as voice, phone, video and security in some areas. HEMC serves all of the school systems in its service territory by providing them with gigabit service. We also provide the regional schools and local colleges with a 10 Gigabit Education Network which is dedicated to educational purposes. The majority of the libraries, local governments, medical facilities and community facilities have connected to the HEMC fiber network because of its superior broadband offerings and the history of reliable electric service that has been provided since 1938.

Habersham EMC is interested in expanding the existing fiber network to reach additional unserved areas, most of which overlay the FCC unserved areas. HEMC will offer up to gigabit services over a total fiber optic network, which is connected to the Atlanta Telex Internet hub. Fiber to the Home (FTTH) also allows us to explore smart grid technologies and determine how high speed connectivity to each home can enhance electric reliability in the future.

With a proven track record and successful history of providing industry-leading Internet services to rural Georgia, Habersham EMC believes this project would increase economic development and allow more residential customers the option to experience the world at the speed of light.

Geographic Territory

HEMC's service territory is located in the following counties in Northeast Georgia:

Habersham

White

Rabun

Stephens

Lumpkin

Hall

There are currently 1,256 Census Blocks in the Habersham EMC service territory that are unserved. That represents 9,980 households and 15,968 people who do not have adequate broadband access. The average density is 9 homes per mile. We plan to serve all of these households with FTTH over time. Our existing network will be used to provide middle mile to much of the area we wish to serve. See the attached spreadsheet for data from the Georgia Technology Authority regarding unserved census blocks across the six counties served by Habersham EMC.

List of Anchor Institutions

HEMC currently serves the following Community Anchor Institutions:

Habersham County Schools

Rabun County Schools

White County Schools

Tallulah Falls School

Rabun Gap Nacoochee School

Mountain Education Center

North Georgia Technical College

Little Dreamers Academy

The Little School

Faith Christian Academy

Habersham County Public Library

White County Public Library

Rabun County Public Library

Habersham County Government

Habersham County 911 Center

Rabun County Government

Rabun County 911 Center

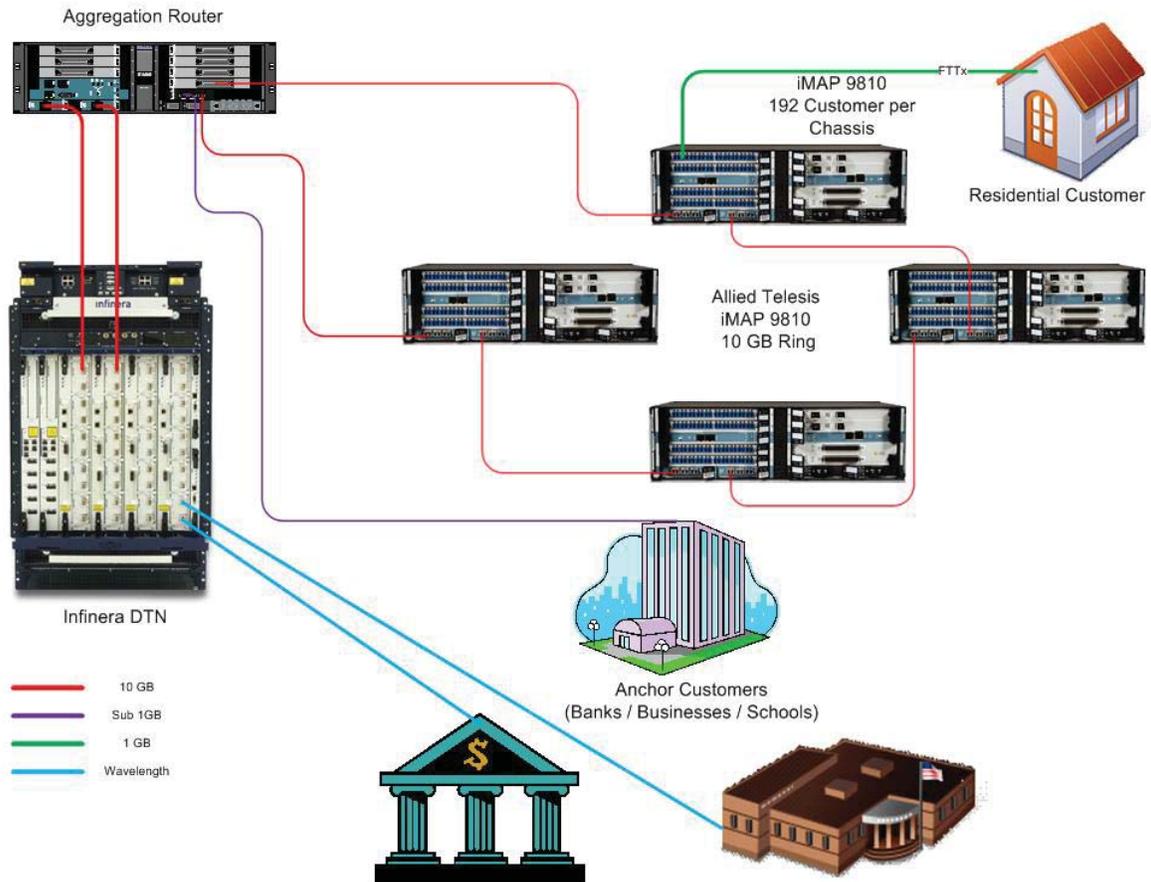
White County Government
White County 911 Center
City of Clarkesville Government
City of Cleveland Government
Development Authority of Rabun County
Habersham County Senior Center

Community Anchor Institutions not served:

Piedmont College
Stephens County Library
City of Helen Library

Proposed Technology

We are planning FTTH services with either Active Ethernet or Passive architectures utilizing a fiber backbone. The following schematic shows the electronic infrastructure in place over our existing fiber network. The network is 100% fiber, including the drop all the way to the customer premise equipment (CPE). All installed CPE is tested and confirmed to handle speeds of 1 Gbps or higher.



Habersham EMC product offerings include:

Residential:

50 Mbps for \$49.95

1 Gig shared for \$99.95

Small Business:

20 Mbps for \$49.95

30 Mbps for \$79.95

50 Mbps for \$99.95

State and/or Local Government Participation

The White County School System desires to ensure connectivity for children in the unserved areas of the county. Habersham County Schools face a similar situation with their students. We would like to assist these school systems by providing fiber to the home for these families. HEMC already provides fiber service with Gigabit connection speeds to both school districts along with a connection to the 10 Gig Education Exchange supported by the North Georgia Network (NGN). We would like to extend this connectivity to the home to further enhance the educational experience and distance learning capabilities for these students. The State of Georgia has previously supported public private partnerships for broadband deployment including our previous BTOP project. We would also look to them for additional funding on future projects if needed. The attached PDF map illustrates the desired connectivity for the White County School System and displays the approximate locations of students that the school system would like to connect to a high speed Internet service.

Existing Providers

Windstream is the rural incumbent telephone service provider in the majority of HEMC's service area. Windstream offers up to 12 Mbps DSL to its customers with no evidence of fiber investment in these areas. TruVista and Hart Telephone offer broadband service in some limited areas, using mostly copper legacy networks. There is a high degree of dissatisfaction in the region with incumbent providers operating over old rural copper telephone networks and not providing the advertised speeds they claim to offer.

Project Timeline

Habersham EMC is shovel-ready and is confident it can successfully perform on time and within budget as previously demonstrated under the federal BTOP grant. HEMC is ready to immediately plan, permit, and acquire materials and will use its existing fiber engineers, administrative staff and construction crews to perform all necessary tasks involved with this project. HEMC can immediately begin the customer marketing and acquisition process using standard operating procedures already in place. NGN will support all of HEMC's customers through its Network Operating Center, which is securely housed by a member electric cooperative. At this time, Habersham EMC does not have an ETC license, but would meet the requirements set forth by the FCC if funding were to be provided.

Scalability

Habersham EMC currently manages 1,800 broadband customers and can readily scale services and support. The additional fiber provided under the FCC program, as proposed herein, will allow the build-out of the unserved areas within HEMC's territories and extend the network to place it in closer proximity to more unserved areas. Habersham EMC plans to continue making its own investments in these areas and would be able to expedite the expansion of the fiber network with possible future FCC funding if it were available. Since HEMC already has an operational fiber network in place, any FCC funded project could be scaled to match the funding level provided.

Total Utility Investment by Habersham EMC

Existing Fiber Infrastructure

Ownership of Right-of-Way and Poles

Pole Attachment Fees

Material at Co-op Cost - leveraging its utility supply chain

Labor – including Installation Crews, Engineers, Mapping Specialists, Management and Administrative Staff

As an electric cooperative, Habersham EMC is in a position to continue to efficiently and effectively deliver and operate a high speed, fiber network.

One Time Capital Infrastructure Investment Needed

\$75,000,000

Habersham EMC views this need for supplementary funding as a one-time capital expenditure and does not foresee a need for ongoing subsidies from the FCC.

Total Project Cost

Current FTTH Customers: Approximately 1,600

Total Potential Customer Base: 25,000

Goal to Reach with Requested Funds: 60%

Total Customer Goal: 15,000

Build Cost per Subscriber: \$5,000 (after reductions from Utility Investment)

Total Requested Funds: \$75,000,000