



The Middleburgh Telephone Company

March 7, 2014

To: Federal Communications Commission (FCC) Staff
From: The Middleburgh Telephone Company
Subject: Expression of Interest - Rural Trials
Docket No. 10-90

Re: Broadband Project for the Middleburgh Telephone ILEC footprint respectfully submitted by The Middleburgh Telephone Company.

Background:

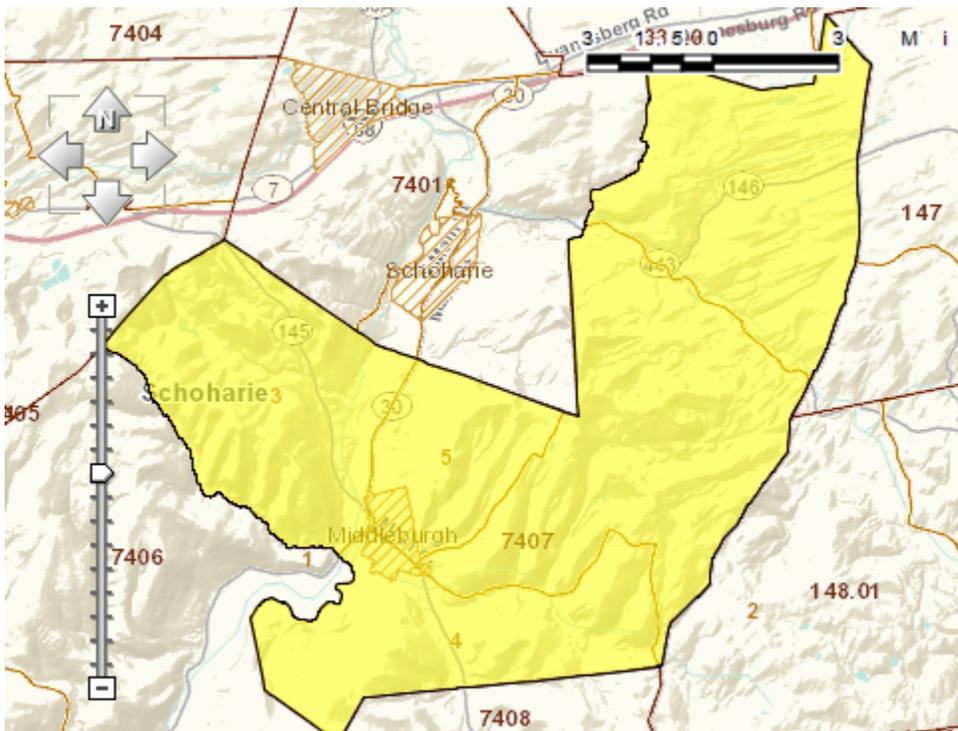
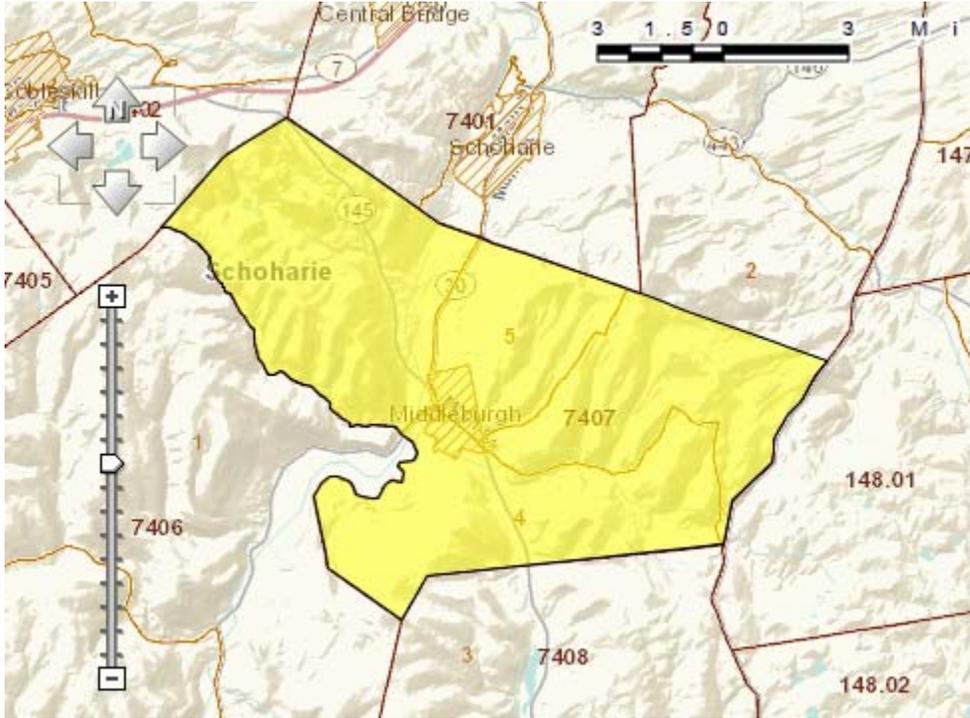
Established in 1897, The Middleburgh Telephone Company is currently celebrating over 116 years of service. It is one of the oldest of New York State's 25 independent telephone companies. Today, the company serves over 7,000 customers throughout 330 square miles of Schoharie County and parts of Albany County.

Since the beginning, The Middleburgh Telephone Company has been dedicated not only to great customer service, but to community involvement and advancement as well. Like many independent telephone companies across the nation, the company gives a great deal back to the communities it serves.

The Middleburgh Telephone Company owners, management and employees continue to enhance the value of the company and provide its customers with the latest technologies and services. As a four-generation, family-owned, independent telephone company, Middleburgh Tel remains committed to serving customers in a personalized manner and welcomes the challenges and opportunities for growth in the future. To this commitment Middleburgh Tel sees broadband and telecom based needs in communities surrounding its current ILEC footprint. To this commitment The Middleburgh Telephone Company has broadband and telecom based needs within the extended areas of its current ILEC footprint.

Target Community:

The Town of Middleburgh is covered by census tract 7407 but 7407 also extends north beyond the town. In the maps below you'll see how block group 2 is partially in the town but also well north of Rt. 443. The second map shows you the full extent of tract 7407. So block groups 3, 4, and 5 are all within the town but block group 2 is only partially in the town.



Proposed technology and Scalability:

The Middleburgh Telephone Company went through the engineering project planning process and received approval for a \$26M RUS loan but ultimately could not accept the loan due to the poor return on investment timeframe and sustainability risk. With grant assistance, this project would become viable and is basically “shovel ready” and could begin implementation in a short timeframe.

Middleburgh Tel will be able to provide services to 100% of homes passed as well as be able to create an “edge out” capability to the outer edges of the surrounding towns. In order to do this and be scalable to meet the demands of the future, Middleburgh Tel must be and is committed to deploying fiber-based solutions. In this case it will be a Fiber to the Premise (FTTP or FTTH) service.

The Middleburgh Telephone Company and its subsidiaries currently provide voice, cable TV-video, and broadband services to its customers. Initial broadband speed offerings will start at 20Mb upstream and 5Mb downstream. Anchor institutions will be offered the ability to receive connections up to 1Gb. These service offerings will be priced according to the tiers of service on a monthly fee starting at \$35.95 per month. The Middleburgh Telephone Company is the only existing Broadband provider. This project will not be phased, but will take 18-36 months to complete, starting immediately from existing designs and FTTH experience that we already have. Leveraging existing Middle Mile fiber in the area we will be able to provide reliable, redundant, and diverse backhaul transport to augment the project. This project will be sponsored by NYS and the Town of Middleburgh, as well as in coordination with Schoharie County Office for Emergency Management Service and 911 PSAP.

Funding:

There is a one-time Capital Infrastructure Investment needed. The estimates are that 2,534 under-served/unserved premises will be passed. Applying a 60% take-rate would yield 1521 connected premises costing \$9,126,000 at an estimated \$6,000/premise. The remaining 1013 premises passed would cost approximately \$4,052,000 at an estimated \$4,000/premise. Adding in the middle mile upgrades of \$250,000, the total project is \$13,428,000. Middleburgh Tel has ample designs already complete and this project would be an over-lash project that we are shovel ready to go with today.

Experimental Program Structure:

Considering the experimental nature of this program, there are several ideas that should be adopted to facilitate lower cost and faster build out. Middleburgh Tel requests that the

reporting burden for the program be streamlined and minimized to allow resources to be utilized toward expanding and improving service. Middleburgh Tel understands that accountability and experiment evaluation is necessary, however micromanagement is not.

Middleburgh Tel requests flexibility in the use of project funds within approved budget categories to allow rapid build-out of proposed services. Middleburgh Tel has over 100 years of experience in building networks, yet the pace of technology as well as realities in the field often require adjustments between project planning and execution.

The focus of the experiment should be on providing service to the maximum number of end users within a total budget amount, as long as minimum service and passing thresholds are met. Project efficiencies may allow additional work beyond the original plan. Therefore, the experimental program should encourage and not prohibit awardees from completing more work and providing more services than originally proposed to the maximum number of end users possible.

Middleburgh Tel requests streamlined environmental assessment requirements be adopted for this program. Linear fiber construction in existing right of ways and along existing pole lines does not disturb the environment in ways or locations not previously disturbed. Project segmentation should be allowed where environmental assessments are required to enable phases of the project to be completed when approved, rather than held up by small, unrelated areas that require further evaluation.

Respectfully yours,

James R. Becker
President