

Executive Project Summary

For

Proposed Arcadia Iowa Rural Fiber Optic Construction Project

Proposed By

**Westside Independent Telephone Company
d/b/a Western Iowa Networks**

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BACKGROUND

Over the past several years, the Telecommunications industry in the United States and Iowa has undergone tremendous change in the regulatory environment, the level of service customers demand from their providers, and the technologies used to provide those services. During this period, many rural areas in Iowa have lagged behind in terms of the broadband services and technologies available. Many refer to this lagging behind the more urban areas of the country as the 'digital divide'. To help bridge this divide, Westside Independent Telephone Company d/b/a Western Iowa Networks (or WIN) proposes to construct a fiber-to-the premise (FTTP) network which will cover the entire Arcadia, Iowa telephone exchange.

WIN is headquartered approximately 10 miles away in the City of Breda, Iowa and is incorporated in the State of Iowa. WIN is a Communications Service Provider as defined by Iowa Code chapter 8B. The company is owned by the shareholders of parent company Breda Telephone Corp. and has been in business since 1902. It is the mission of WIN to be the leading communications provider in Iowa.

The WIN management team consists of the following seven individuals:

Jeff Roiland, CEO
Kevin Skinner, CFO
Chris Nieland, Director of Operations
Mike Ludwig, Plant Manager
Amy Hatterman, Accounting Department Manager
Stephanie Thomsen, Human Resources Manager
Wes Treadway, Customer Service/Marketing Manager

WIN's management team has over 110 years combined experience in the telecommunications industry and contributes to numerous industry boards and committees.

WIN provides a wide variety of services to residential and business customers in communities throughout western Iowa, including voice, broadband, television, managed IT, hosted PBX, key systems equipment, email hosting and web hosting.

Over the last 10 years, WIN has deployed a FTTP network in each community it serves. This network, combined with knowledge and expertise, gives WIN a distinct advantage over competitors, allowing it to provide cutting edge service to all customers in the WIN serving area for many years to come. While there are providers with somewhat similar service offerings in WIN's existing markets, none of them provide services over a FTTP network. This advanced, state-of-the-art network deployed by WIN is able to provide reliable high bandwidth and low latency broadband services which the other providers simply cannot match.

PROJECT SUMMARY

This project area includes the entire exchange boundary for the Arcadia, IA telephone exchange, and would be a complete overbuild of the exchange with a FTTP network. Although the entire exchange will be overbuilt, WIN is only requesting funding for a portion of the area to be overbuilt. WIN has recently completed an agreement to acquire all the assets of the Arcadia, Iowa exchange from Arcadia Telephone Cooperative. This transaction recently received regulatory approval, and the sale is expected to close on October 31, 2019. The agricultural industry is critical to this area, as the Farmers Cooperative Elevator Co (FAC) is headquartered in Arcadia, Iowa. FAC has other locations nearby and requires reliable Broadband service to connect their locations. The community of Arcadia is part of the Ar-We-Va Community School District, with school building and offices located in the nearby town of Westside, Iowa. Fast and reliable broadband plays a key role today in children's education. Building this network would provide an invaluable tool for those households in Arcadia with students in the school district. In addition, the community of Arcadia has been very proactive about attracting new residents to the area, through the development of a residential subdivision on the east edge of town. Ideally located approximately halfway between the two area retail and business hubs of Carroll and Denison, Iowa, Arcadia could be considered an attractive place to reside for those who work in or near the community. A fast and reliable Broadband service is becoming more important all the time for those seeking a place to live, so construction of this network would be a huge benefit for the development of this community.

WIN has also recently applied for combination grant/loan funding under the USDA ReConnect Program, for a portion of the Arcadia exchange area. Per WIN's analysis, some of the areas eligible for funding under the Empower Rural Iowa broadband grant program, are not eligible for funding under the USDA ReConnect program. Within the proposed funded service area, there are 68 targeted service areas (TSAs) covering approximately 21.26 square miles. These TSAs include 258 housing units and 82 businesses and farm operations, with a population of 636. WIN estimates the project will begin in the spring of 2020 and will be completed by the summer of 2022. After construction is completed, WIN plans to aggressively build its customer base through various forms of advertising and promotional offers. As is the case in all of our communities, future plans for this community would include edging our FTTP network out into surrounding areas wherever it is feasible to do so. To that end, the funding being offered through the Empower Rural Iowa Broadband Grant Program is critical and necessary.

Based on the size and number of targeted service areas included, WIN has estimated a cost for this project as detailed in Exhibits D and D.1 of the Core Application and is asking for grant funding equal to 15% of the total projected costs.

CONCLUSION

Through the application and other supporting documents provided, WIN aims to demonstrate how this project will comply with all the requirements of the Notice of Funding Availability, while effectively bridging the digital divide in this entire proposed service area. WIN has the experience, facilities, equipment, processes, staff, third party relationships and internal systems in place to support the successful completion of this project. The advantages of a FTTP network over other networks are well documented in terms of their speed, reliability and long-term utility. Having access to this network will be a valuable tool to help keep residents in this community, attract new residents, strengthen the school district and foster economic development for new and existing businesses. WIN strongly believes this project will be a very worthwhile investment in the future of Broadband for this community and for all of rural Iowa.