

Nebraska Capital Projects Fund

Business Plan Narrative on behalf of Joint Applicant Hartman Telephone Exchanges, Inc./BWTelcom Long Distance, Inc. (BWTelcom) Village of Lebanon Project Attachment G

Details of Proposed Project

Hartman Telephone Exchanges, Inc. (d.b.a. BWTelcom) will bury fiber to upgrade the facilities within the Village of Lebanon, which is currently served with copper facilities utilizing VDSL technology. At the present time, the project area is considered underserved, as customers are able to receive speeds of 25/3, but not 100/20. Upon completion of this burial project, subscribers within the Village of Lebanon will have access to broadband speeds of up to 1 Gig.

Hartman Telephone will be coordinating with RVW Engineering to conduct a bidding process in order to select an insured, licensed contractor to complete the construction. Upon completion of this project, 5.75 miles of cable will be constructed (3.41 route miles) and 54 homes within the Village of Lebanon could be served by the upgraded fiber facilities.

Risk Factors/Legal Challenges

Hartman Telephone has served the Village of Lebanon for many years and has established strong working relationships with members of the Lebanon community during this time. Therefore, we do not anticipate any issues regarding zoning, right of way, or county construction permit issues to impede the completion of this project.

Financial Analysis

As demonstrated by the attached projected cash flows statement (see attachment G2), Hartman expects to see positive cash inflows from this project, with the receipt of the Capital Projects Fund grant. There are 54 locations within the Village of Lebanon that we will be able to serve upon completion of this project. Of these 54 locations, we already provide Internet services to 25 active subscribers (46%). We anticipate that we will retain our current subscribers within the village, as well as gain a few more households once we can offer higher speeds. We anticipate that a handful of current subscribers will increase their speed packages once they are capable of achieving more than the current speed of 25/3 as well.

Long-Term Network Maintenance

Fiber is one of the most reliable and sustainable technologies currently available. Its useful life is upwards of 25 years beyond initial deployment. Hartman Telephone is choosing to deploy buried fiber. Burying fiber helps to ensure that it is not damaged by the elements, reducing maintenance costs. Once the fiber is in place, Hartman Telephone will have increased efficiencies and fewer trouble calls within the Village of Lebanon.

Hartman Telephone already has various network management systems and processes in place to monitor and troubleshoot our fiber networks and facilities that have already been deployed. Hartman will utilize these same systems and processes to monitor the newly deployed fiber network in the Village of Lebanon to make sure it is operating securely and efficiently. Hartman Telephone will also utilize its current managerial, technical, and customer service staff to maintain the project area.

Prior Federal Funding

Hartman Telephone has not received any prior federally awarded grant funds.

Community Outreach

Hartman Telephone has reached out to several members of the Lebanon community to inform them of our intent to deploy fiber within the village (see attachment G3).