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EXECUTIVE SUMMARY: 2019 Fiber-to-the-Home Southwest Rural Project

Sully Telephone has taken on the digital divide since 2014 with a total dedicated Fiber-to-the-Home (FTTH) Active Ethernet technology to our urban and rural customers. We have expended over \$2.3 million dollars of our reserve funds and placed 74 miles of fiber through 2018. We have completed 83 percent fiber connectivity to 523 of the Sully Telephone urban and rural customers through year-end 2018. We have a total of 133 more rural customer locations to provide FTTH service during 2019 and 2020 in order to evolve to 100% fiber connectivity.

The 2019 Project: The Southwest rural quadrant area of the Sully Telephone exchange is currently served by a remote switching cabinet/equipment that can only provide 10/1 Internet speeds up to 18Kft on copper facilities. Even at industry engineering standards, 10/1 speeds are not achievable throughout the 18Kft aging copper facilities. We have numerous rural customers beyond the 18Kft distance. Some at our exchange boundaries at 30Kft receiving less than 1meg service (comparable to past dial-up service).

Our project for the locations during 2019, for central office equipment, customer premise optical network electronics, fiber cable placement, fiber splicing and customer cutover from copper to fiber will come at a cost of approximately \$504K to complete. We also have a late construction build request from a new cell tower provider by Cover2/AT&T FirstNet being built along our 2019 FTTH construction route that will take additional funds to serve the Great State of Iowa's "First Responders"!

Project Start Date for Construction: June 1, 2019

Project Completion Date: November 30, 2019

I hope this executive summary gives you a flavor of the dollars it takes to cross the digital divide and provide the same services in the rural areas as it does our small urban community of Sully, IA. Sully Telephone Association continues to support the local community with ongoing charitable donations to many worthy causes and a current 10 year USDA infrastructure economic development loan to the City of Sully. We also have an anchor building in the downtown square supporting the community with three businesses and five apartments.

We are close to financial exhaust for our rural fiber funding projects and respectfully request the full 15% (\$75,600.00) assistance from the Iowa Broadband Grant program. I have read and understand and Sully Telephone Association will comply with the NOFA terms and agreement.

As you can see, we are doing our part to meet the rural broadband initiatives. I hope you will give Sully Telephone Association your full funding consideration for our 2019 FTTH project.

Thank you,

Earl "Jack" DeAngelo – General Manager
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