



Alabama Broadband Accessibility Fund
2018 Grant Application

Project Title:
Fiber to the Premise

Submitted by:
OTELCO
Grant Amount Requested:
\$33,000

Total Project Cost:
\$165,000

Project Contact:
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Applicant Information:

Project Name:

Legal Name of Entity: **Otelco Inc.**

Mailing Address: **505 3rd Ave. East Oneonta, AL 35121**

Name and Title of CEO: **Robert Souza**

Name and Title of Contact: **Jason Fuller, OSP Engineering & Mapping Manager**

Phone Number and Email of Contact: **205.625.3584 jason.fuller@otelco.com**

Project Description:

Fiber to the Premise northwest of Arab town center.

1. Area and Boundaries:

This project proposes to deliver Fiber to the Premise in an unserved rural area north and west of the Arab town center at the intersection of routes 45 and 67, along route 418, and on portions of Crawford, Apple Grove, and Pleasant Valley Roads. The build-out will serve 79 premises in the area, 3 of which are poultry / dairy farms.

2. Technology being Deployed:

This is a Fiber to the Premise project. The technology will deliver varying speeds ranging from 25 Mbps to 100 Mbps symmetrical and is expandable as demand dictates.

3. Speeds / Pricing

Pricing begins at \$69.95 for the 25 Mbps product.

4. Project tech eval certified by an engineer:

The project will consist of building new fiber in the area shown within the Google Earth kmz. Included in the \$165,000 budget are field engineering, construction, and splicing for the entire project. The project will commence sometime during the 2nd quarter of 2019 and be completed by the end of 3rd quarter of 2019.

Please see **Attachment A** for a static map of proposed build area.

5. Operator technical and operational capabilities

OTELCO owns and operates more than 850 miles of fiber in Alabama alone, and currently offers FTTP to nearly 6,000 locations in Alabama. OTELCO is the ILEC serving this area and has been providing voice and data services there for more than a century, while continually identifying locations to build additional service delivery infrastructure.

Operationally, OTELCO is a full-service telecommunication and technology company and can provide a full range of functions including customer service; installation; system, equipment, and line maintenance; monitoring and repair; as well as billing and collection services. 24/7 technical support is accessible via a toll-free phone number and is provided by a Bangor, Maine Network Operations Center with remote capabilities and outside plant personnel located in several strategic Alabama locations and available for dispatch as needed.

OTELCO operates customer service call centers in Oneonta and Arab. Each call center has a dedicated toll-free phone number. Call centers are open from 8 a.m. to 4:30 p.m. Monday through Friday.

OTELCO offers both on-line bill-pay and an automatic debit option along with traditional paper billing. Its website, OTELCO.com, provides access to customer email portals, FAQs, telephone directories, and numerous other customer resources.

Application Budget:

The proposed project will provide internet speeds of at least (check one):

Project Type A: 10 Mbps download and 1 Mbps upload

Project Type B: 25 Mbps download and 3 Mbps upload, the build will exceed this level of service with symmetrical speeds of 100 Mbps.

Total Project Cost	\$165,000.00
20% of Total Project Cost	\$33,000.00
Total Grant Amount Requested	\$33,000.00

- 1** Itemize eligible expenses (construction and construction related) additional expenses associated with the project, but not part of the grant budget, should be included

Projected Material / Equipment costs: \$90,000.00

Projected Labor Costs: \$65,000.00

Projected Miscellaneous Costs (pole attachments etc.): \$10,000.00

Projected Marketing / Promotional Costs (not part of grant request): \$2,000

- 2** Financial Resources to

- a. Sustain service – business model:

OTELCO has a century old proven business model of serving rural communities not only in Alabama but in five other states including Missouri, West Virginia, Massachusetts, Vermont, and Maine.

- b. Provide adequate project financing:

OTELCO diligently maintains a Capital Expense account to provide funding for expansion and improvement of its communication infrastructure.

- c. **OTELCO is a publicly traded company (NASDAQ – OTEL) For detailed financial information visit <http://phx.corporate-ir.net/phoenix.zhtml?c=184665&p=irol-irhome>**

- 3** Partners, subcontractors – role in the project:

OTELCO is planning to employ outside contractors for this project.

- 4** Federal Funds

- a. If fed funds don't exceed 50% AND:

Although this geographic area is ACAM eligible, the maximum allocation is \$200 per location served, which is less than 10% of the actual cost pre-household of \$2,089.

- i. Components extend service beyond federal specs to unserved rural area
ii. OR exceed the 25/3 federal minimum speed:

The speeds delivered by this build are 100/100 Mbps and far exceed the FCC 25/3 minimum.

- b. Grants issued to projects receiving federal funds shall not exceed 40% of total grant funding, with such grants not exceeding 20% of total project costs.

Understood

Other Program Priorities:

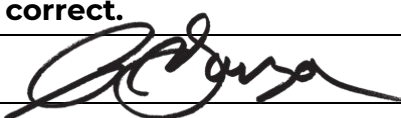
Does this project seek to leverage grant funds through private investment?	YES	NO
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will this project be an extension of existing infrastructure?	YES	NO
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does this project serve locations with demonstrated community support?	YES	NO
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Will this project serve the highest number of unserved homes, businesses, and community anchor points for the least cost?	YES	NO
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does this project emphasize the highest broadband speeds?	YES	NO
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Will this project provide material broadband enhancements to hospitals located in rural areas as defined in Section 22-21-20, Code of Alabama 1975?	YES	NO
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Will this project support local libraries in this state for the purpose of assisting the libraries in offering digital literacy training pursuant to state library and archive guidelines?	YES	NO
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certifications:

- 1. The applicant certifies that it is a non-governmental entity.**
- 2. The applicant certifies all new customers served as a result of this project will have access to an internet connection that provides a capacity for transmission at an average speed per customer of at least 10 Mbps download and at least 1 Mbps upload.**
- 3. The applicant certifies that all new customers served as a result of this project are not located within the boundaries of any incorporated city or town having a population in excess of 25,000 inhabitants, according to the last federal census.**
- 4. The applicant certifies that it has the technical and managerial capabilities to complete the project within two years of the effective date of the grant agreement.**
- 5. Choose one:**
 - The applicant certifies that for any area served as a result of this project there is not at least one provider of terrestrial broadband service that is either:**
 - i) offering a connection to the internet meeting the minimum service threshold;**
or
 - ii) required, under the terms of the Federal Universal Service Fund or other federal**

or state grant, to provide a connection to the internet at speeds meeting the minimum service threshold within five years of the effective date of the Broadband Accessibility Act.

- b. The applicant certifies that the project has received funds through other federal universal service funding programs designed specifically to encourage broadband deployment in an area without broadband access in an amount not exceeding fifty percent of the total project cost, and that any award of state funds shall only be utilized to either:
- i) fund project components that extend beyond the specifications supported by the federal funding, said eligible components being extension of service to unserved rural areas not otherwise served by the federally supported project, or
 - ii) ensure that areas being served by the federal funding at speeds less than 25 megabits per second of download speed and three megabits per second of upload speed will, in fact, receive faster speeds of not less than 25 megabits per second of download speed and three megabits per second of upload speed.

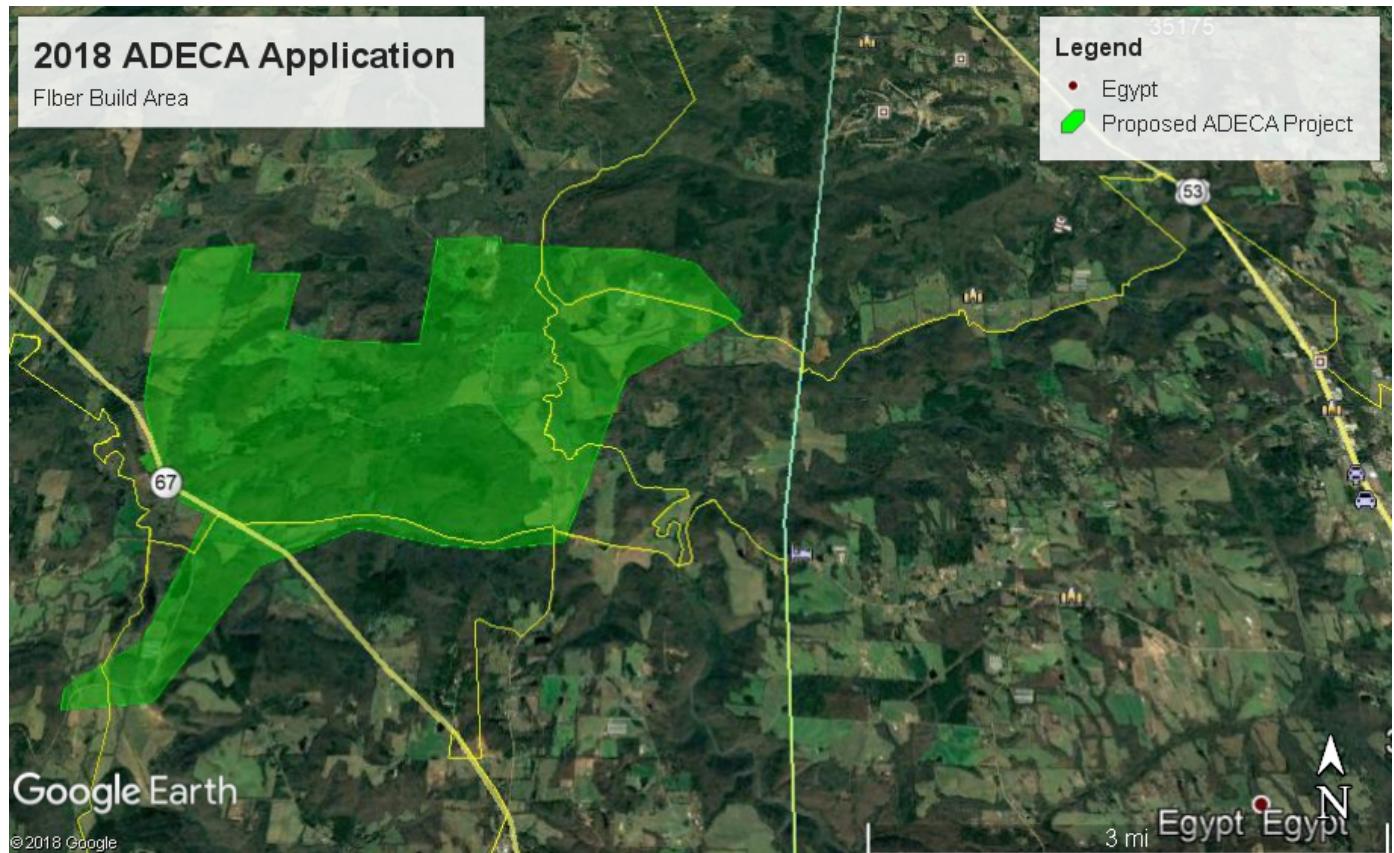
Certification	
I the undersigned am authorized to obligate my entity and enter into agreements for my organization. I understand that the above certifications do not guarantee funding and a grant agreement will be executed prior to project funds being expended. I further understand that if the above statements cannot be verified, no grant funds will be awarded under this program. Finally, to the best of my knowledge the above certifications are true and correct.	
Signature of Applicant: 	Date: 10/24/2018
Title of Applicant: Robert Souza, president and CEO	

Attachment A

This graphic map illustrates the area to be served by the proposed built-out. A kmz file is also attached with more detailed information.

OTELCO

Proposed Fiber Build-out



The proposed build area would serve approximately 79 customers and 3 fully-operational farms in the valley area, North of the Ryan community. This area, currently, can't receive adequate broadband speeds to advance in today's IP world. A FTTP deployment will be constructed by OTELCO to ensure these customers are capable of broadband speeds that rival larger metropolitan cities.