



April 15, 2015

William Cherry
Schoharie County Treasurer's Office,
Economic Development Division
P.O. Box 9
284 Main Street, 1st Floor
Schoharie, NY 12157

Dear Bill,

Please find enclosed the Schoharie County Economic Development Division Broadband Feasibility Study.

Broadband access is arguably one of the most important aspects of any thriving community today. With broadband access our educational system, our economic development efforts, our healthcare, and our business climate are all enhanced.

The study shows that the current broadband communications network in Schoharie County does not meet the FCC's current definition of broadband service nor Governor Cuomo's New NYS Broadband Grant program definition for broadband service in upstate New York. The impacts of broadband network's shortfall include difficulty in attracting, retaining and growing businesses; inability of educational institutions to use 21st century tools to expand learning opportunities for their students; and residential services that are expensive and exceptionally slow. Fortunately, the Schoharie County has a solid opportunity to help drive reinvestment in the broadband network to provide a new infrastructure for broadband that will serve the County for decades to come and reverse these impacts. Using a Public Private Partnership (PPP) structure with local partners will allow Schoharie County to lead the effort to facilitate the applications for federal and state grants and low-interest loans to fund the construction of – and create a business structure to operate – a state of the art network in Schoharie County.

A primary attribute of this feasibility study is its focus on building a network to provide service to end users, both residents and businesses. This attribute is critical to the financial viability of the network and maximizes use of the strengths that each of the local potential partners brings to the partnership.

From a technical perspective, the study recommends building a \$28M hybrid network consisting of a fixed wireless network, accessing nearly 10,180 locations, connected to a 288-mile fiber optic backbone network. The fiber optic backbone network will also be constructed to access

approximately 4,650 Fiber to the Premise (FTTx) locations. The fiber network will pass through 25 village centers which will enable the project to offer Main Street businesses and community centers access to high-speed fiber connections. The total number of unserved locations capable of receiving high-speed data and voice service at a minimum speed of 25 MB down and 3 MB up (25/3 service) is approximately 91% of the total unserved locations in Schoharie County. To upgrade locations without 25/3 service, a combination of larger antenna, range extenders, micro cells, new tower sites and additional FTTx construction can be used as determined by the PPP.

The project is broken into two one-year construction phases based on the four fiber ring layout of the network.

Financially, the business plan displays profitable operations, and positive cash flow throughout the six-year projection period (years 0 - 5). Financial ratio benchmarks typically required by lending institutions have been met or exceeded.

Sincerely,



Peter Rasmusson, CEO/Partner
FARR Technologies, LLC