

# Consolidated

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September 16, 2019

Mr. Ed Toner, Chair  
Nebraska Rural Broadband Task Force  
c/o Nebraska Information Technology Commission  
Office of the Chief Information Officer  
501 South 14<sup>th</sup> Street, 4<sup>th</sup> Floor  
P.O. Box 95045  
Lincoln, NE 68509-5045

Dear Mr. Toner:

Consolidated Companies<sup>1</sup> is a rural telecommunications company serving an 8,900 square mile area in western Nebraska. Over the past ten years, Consolidated has spent \$20 million in end user facilities to upgrade broadband service to our rural customers and our current five-year plan projects over \$10 million of additional investment. With a rural household density of just 0.26 per square mile,<sup>2</sup> our service area is the least populated and thus the highest cost area in the state of Nebraska. In total we have over 2,500 miles of fiber installed, 1,935 miles of local fiber to bring customers broadband and 580 miles of interexchange 10 Gigabit fiber to connect our 14 exchanges.

Our investment philosophy has been to provide as many customers broadband as possible by making prudent investments and being fiscally responsible with our universal service resources. In our more populated areas, which are still extremely sparsely populated by statewide standards, we were able to provide over 99% of our customers 10/1 Mbps service or higher by deploying Fiber-To-The-Node ("FTTN") technology. FTTN was the fastest, most cost effective way to provide 10/1 Mbps to our rural customers, and that fiber is now being leveraged as we extend fiber to the home for deployment of 25/3 Mbps and higher speeds. In our least populated areas, we made the economic decision to completely replace copper facilities with fiber to achieve the desired speeds. As shown on the enclosed map, nearly 40% of the land area we serve has Fiber-To-The-Home ("FTTH") facilities. In addition to providing broadband to rural customers, our fiber network also serves 12 school systems, 17 cell sites, FAA radar sites, weather service radar sites and airline internet sites, enhancing the quality of life and public safety for those living in or travelling through the area.

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<sup>1</sup> Consolidated Companies is the holding company for the following local exchange carriers: Consolidated Telephone Company, Consolidated Telco, Inc., Consolidated Telecom and Curtis Telephone Company.

<sup>2</sup> Table 8, Broadband Coverage by ILEC Excluding Fixed Wireless Coverage, Preliminary Rural Task Force Report, NUSF Subcommittee, dated March 22, 2019.

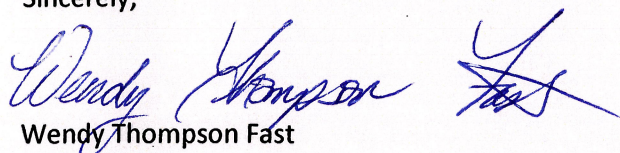


In this letter we are responding to the statistics shown in Appendix 7 of the preliminary Broadband Task Force dated August 16, 2019. That report shows that wireline plus wireless broadband deployment at a speed of 25/3 Mbps for Consolidated's four companies are 38%, 10%, 28% and 14% as of December 31, 2016. Since we make capital expenditure decisions for these four companies as a group, we believe they should be combined for purposes of reporting of speed data. For our combined companies, Consolidated has reported an additional 467 locations at a speed of 25/3 Mbps and 253 locations at a speed of 10/1 Mbps to the federal High Cost Universal Broadband ("HUBB") portal since 2016.<sup>3</sup> Using the NPSC's definition of rural,<sup>4</sup> our rural locations are currently capable of the following speeds:

Speed	Consolidated Telco, Inc.	Consolidated Telecom	Consolidated Telephone Company	Curtis Telephone Company	Total	Percentage
Less than 4/1 Mbps	60	37	125	32	254	6%
4/1 Mbps	134	85	186	40	445	10%
10/1 Mbps	261	227	374	79	941	22%
20/1 Mbps <sup>5</sup>	204	352	631	48	1,235	29%
25/3 Mbps	260	140	938	53	1,391	33%
<b>Total</b>	<b>919</b>	<b>841</b>	<b>2,254</b>	<b>252</b>	<b>4,266</b>	<b>100%</b>

Consolidated continues to make significant investment in rural broadband facilities. Our long-term goal is that all rural customers will be served by fiber; however, that goal is dependent on stable federal and state universal service support.

Sincerely,

  
Wendy Thompson Fast

President

<sup>3</sup> Locations reported to the HUBB are in census blocks eligible for federal support. These HUBB locations may or may not meet the definition of rural used by the Nebraska Public Service Commission. The most recent data that can be downloaded from the HUBB is from 2018. Since 2018, Consolidated reported an additional 325 locations at 25/3 Mbps and 30 locations at 10/1 Mbps to the HUBB.

<sup>4</sup> Census blocks containing 20 or more households and having a density greater than 42 households per square mile were considered urban. Also, areas classified by the US Census Bureau as cities or villages were also included. Finally, any areas within city limits as defined by the US Census Bureau were considered urban. All other areas were considered rural.

<sup>5</sup> In the above table we separated those locations capable of a speed of 20/1 Mbps from those capable of only 10/1 Mbps because the speed increment is substantial but not recognized in a count of locations capable of 25/3 Mbps.



cc: Commissioner Mary Ridder  
Commissioner Rod Johnson  
Commissioner Crystal Rhoades  
Commissioner Tim Schram  
Commissioner Dan Watermeier  
Mike Hybl, Commission Executive Director  
Shana Knutson, Commission General Counsel  
Cullen Robbins, Director NUSF and Telecommunications Divisions



