



Committed to the future of rural communities.

USDA Rural Development: Telecommunications Program;

Telecommunications Infrastructure Loan Program, Community Connect Grant Program, Farm Bill Broadband Loan Program, and Broadband Initiative Program (BIP) — Washington

Hood Canal Communications

Need:

Along the Olympic Peninsula in Mason County, WA, surrounding the Hood Canal is a rural community in which, until recently, businesses and residences had no access to high speed internet. Topographically unique, this area is surrounded by bodies of water, dense forests, and steep terrain posing design and construction challenges. Heavily used for tourism and recreation, this community is also home to the Squaxin and Skokomish Tribes. Recent population and tribal industry growth has created a need for access to improved broadband infrastructure.

Economic development in Mason County has primarily stemmed from forestry. Consequently, it has been severely impacted by the current economic downturn. Eighty percent of the County's residents live in rural areas, so lack of broadband is a major challenge in many ways.

How Rural Developed Helped:

In 1978, local telephone company, Hood Canal Telephone Co. Inc. (HCTC), received its first Rural Utilities Service (RUS) Telecommunications Infrastructure Loan for \$932,000 to modernize its facilities and build a plant headquarters. This was the beginning of a long-standing relationship with the RUS.

In 1990, HCTC received their second Telecommunications Infrastructure Loan for \$1.2 million to continue plant development. Following that, they received their first Community Connect Grant for \$865,000 to provide Fiber-To-The-Home (FTTH) services as well as a computer lab for the Squaxin Island Tribal Community in 2002. HCTC received its first Farm Bill Broadband Loan in 2004 for \$1.7



HCTC Staff

million to expand their broadband service area in Mason County. This expansion included the Skokomish and Squaxin Island Tribal Communities. The project brought broadband through cable modems over a Hybrid Fiber-Coaxial (HFC) network to an additional 51.8 miles of Mason County, which in particular benefitted rural, home-based business operations.

In order to upgrade their central office equipment and plant facility, they received another RUS loan in 2007 for \$681,000. As the company expanded their services, they changed their name from Hood Canal Telephone Company to Hood Canal Communications to better reflect the products and services they offered.

As a result of Hood Canal Communications' many years of successful implementation of broadband infrastructure development using RUS funding, the company received a loan of \$904,000 and a grant of \$2.7 million in 2010 under the American Recovery and Reinvestment Act's Broadband Initiatives Program (BIP). This project will invest in greatly

needed broadband infrastructure. The broadband expansion will include areas on the Squaxin Tribal Community, and several other areas in rural Mason County.

Result:

In spite of the challenging regional topography, Hood Canal Communications continues to deliver improved broadband services to nearly 3,000 business and residential customers in the communities of Hoodspport, Jorsted Creek, Lilliwaup, Shelton, Timberlake, Spencer Lake, Shorecrest, Agate, Pickering, Union, and Skokomish Valley in Mason County.

As a product of their partnership with Hood Canal Communications, the Squaxin Tribe has become more efficient and competitive in their industries. The Tribe has eliminated all costly T-1 lines, and replaced multiple phone systems with a single integrated system; offering seamless phone service between all tribal offices, businesses, and recreational facilities. A state-of-the-art video communications center was created for the Squaxin Tribe, allowing the tribal community to be more competitive in the global

marketplace. The computer center provides an online GED study program, as well as several adult educational opportunities including computer training. Squaxin tribal law enforcement now connects with the Mason County public offices and law enforcement agencies for file sharing and accessing fingerprint databases. The Tribe's medical office now has the capability to connect to both the medical library and Hospital Information System in Portland, Oregon. Among many other benefits, the Squaxin Tribe has also been able to create websites for its museum and childcare facility.

Many businesses and residences in the Mason County area will greatly benefit from the upcoming expansion from the BIP funds, ranging from rural fire departments to college students. The company plans to create two new jobs internally and additional jobs following the commencement of the project in January 2011. According to company President, Rick Buechel, "Without the resources provided by RUS, our community would not have the same educational, employment, or entertainment options that are fundamental to our way of life."