

Town of Firestone Broadband Feasibility Final Report

August 12, 2020



Agenda

- **Identification of Broadband Issues in Firestone**
- **How to Solve the Problem and Plan for the Future**
- **Recommendations for Next Steps**
- **Answer Questions**



**What is the
problem we need
to solve?**



Identifying the Issues

Based on the survey and outreach data:

- High speed internet is available to 100% of the Town
- Residents are paying a lot for their broadband and are generally not satisfied with the value they are getting for the cost of their current internet service.
- Over 40% of survey respondents noted issues with their cellular service.

In summary, the biggest issue facing Firestone is:

- **lack of competition amongst broadband providers**
- **including high cost and low customer service**
- **and inconsistent cell service.**



Recommendations for Addressing the Problems



Recommendation 1

The Town should NOT move forward with a last-mile Fiber-To-The-Premises (FTTP) municipal broadband network.



Recommendation 2

The Town should move forward with issuing an RFP to the RFI bidders or directly entering into negotiations with Allo Communications to establish a PPP for a FTTP network



What is a Public Private Partnerships (PPP)

A PPP is a legal partnership wherein the municipality and private partner balance and apportion risk, benefit and control.

The type of PPP depends on a number of factors, including:

- Whether the provider can make a profit with take rates that justify an investment;
 - The sum total amount of financial resources the municipality can provide;
 - Whether the municipality is willing to be flexible on asset ownership;
 - Whether there is a private-entity that is interested and viable;
 - Whether the municipality and private partner can come to agreement on terms and requirements.
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- While a growing trend there are few established municipal PPPs



A negotiated PPP with Allo could enable:

- Firestone to benefit from critical infrastructure that will serve Town needs for the next 30+ years at a fraction of the cost of building a greenfield municipal network.
- The Town to find a network operator for the middle-mile network if the Town desired to expand its own middle-mile network.
- Benefits to the community such as free drops to nonprofits
- The establishing of a local office for drop-in service such as bill paying and equipment return
- Allo to build to all the commercial and industrial centers including the planned growth areas
- Competition amongst the broadband providers bringing lower prices and better service

Firestone's Rare Opportunity to Establish a PPP

Recommendation 3

If the Town does not establish a PPP that results in the Town's middle-mile network needs being met, then the Town should consider expanding its own middle-mile network as needed.



Benefits of a Middle-Mile Network

The benefits of a middle-mile network are substantial and would enable the Firestone to:

- Deploy critical infrastructure including IoT that will serve regional needs for the next 30+ years
- Own a network with an investment cost that is much smaller with a risk much less significant than a last-mile network
- Potentially phase-in a last-mile solution
- Potentially build fiber to towers to better encourage wireless technology deployment
- Reduce costs for last-mile providers in reaching the underserved areas
- Lease excess fiber and conduit to generate revenue and encourage private provider investments
- Attracting last-mile providers that can invest in last-mile connections to homes and businesses



Monetizing the Middle-Mile Network

Dark Fiber and Conduit Leasing

- Dark fiber pricing is subjective and is determined by:
 - Availability of dark fiber in the area
 - Market rate of other dark fiber in the area
 - Number of strands to be leased (minimum of two)
 - Amount of footage to be leased (per mile)
 - Term of years requested
 - Payment up-front versus over time
 - Number of strands remaining that may not be marketable

Recommendation 4

Implement broadband-friendly policies





EXAMPLES

Broadband-friendly Policies

- **Dig Once Policies** that require the placement of conduit/fiber when road construction is occurring.
- **New Development policies** that require the developer to include a plan for telecommunications infrastructure as a part of the community before it is built.
- **Streamlining Permitting.** This includes publishing clear permitting requirements, fees and applications on the Town website and establishing a single point of contact for the carriers.
- **Update the ROW code,** wireless design standards and policies to comport with federal and state law.
- **Establish a Pilot Grant Program** that would provide subsidies to connect qualifying businesses to a broadband connection.

Reminder that the biggest issue facing Firestone is:

**lack of competition amongst broadband providers
including high cost and low customer service
and inconsistent cell service.**





Questions?

