

Broadband Internet for New Marlborough

Presentation of the New Marlborough Broadband Committee

June 23, 2018

Principles of broadband internet selection process

- Competitive total cost to subscribers
- Minimize cost to taxpayers, if possible
- Minimize risks to town
- Provide reliable service over time

Terms Used:

- Mbps - Used to express bandwidth speed, as in megabytes per second. The higher the number, the faster the speed. 1000 Mbps = 1 Gig
- 25/3 Mbps - Means a download speed of 25 megabytes per second and an upload speed of 3 megabytes per second. Minimum FCC requirement. DSL is typically 3-5 Mbps.
- Take rate - Represents the % of town residences/businesses who subscribe to high bandwidth internet service.
- FTTP - Fiber to the Premises (All options anticipate installation of FTTP)
- Ubiquitous Coverage - At least 96% of Premises in town are reached (All options provide ubiquitous coverage)

(Note: Town-owned system information based on Wired West projections and data.)

	Charter	Crocker	Town-Owned
Town Bonding	NO, MBI grants \$2.43 MIM to Charter up front	NO, MBI grants \$1.71 MIM to Crocker	Yes; MBI grants \$1.71 MIM to Town
Town Taxpayer Cost	Yes; \$720,000 paid over 15 years @ ~\$48K/yr; financed by State	No; police road detail during construction ~ \$50K unless paid by grant	Yes; \$3.1 MIM estimate after MBI grant
Internet Speed	100/10 Mbps 1 Gig extra \$\$	1 Gig (1000 Mbps)	25/3 Mbps Up to 1 Gig extra \$\$
Installation Cost	\$50 WiFi activation \$10	\$499 (installments allowed)	Town to set, but affects build cost
Connection Distance Allowance	250 feet, subject to final negotiation	300 feet	Town to set; build cost assumes 300 feet

	Charter	Crocker	Town-Owned
Subscription Contract Period	No minimum	No minimum	Town choice
Historic Service Uptime	Unknown	99.999% availability	Unknown
Build Timeline	Complete one year after Make-Ready done	2.5 years with Make-Ready; lit up incrementally	Unknown

	Charter	Crocker	Town-Owned
Subscriber Cost Internet only	Promo - \$45 Regular - \$65 (year 3) No min take rate	\$120	25/3 - \$59 1 Gig - \$75
Other options: TV Select and Internet	Promo - \$80 Regular - \$120	N/A	N/A
Other options: TV Select/Phone/ Internet	Yr 1 Promo - \$90 Yr 2 Promo - \$110 Regular - \$140	N/A	N/A
Add phone service (VOIP)	+\$20	+\$15 Will handle porting of current #	+\$19 (Wired West projection)
Rate increases?	Pricing is nationwide, so subject to competition	Capped based on increases in CPI-U	Unknown at this time

	Charter	Crocker	Town-Owned
Financial Risk to Town	No, other than initial investment	No	Yes, for bonded debt Yes, if build costs escalate
Operating Risk to Town	No Charter assumes take rate risk	No Yes, if 50% take rate not met	Yes, if cost projections off Yes, if 60% take rate not met
Technological Change Risk to Town	No	No	Yes, if subscriber rates undercut by new tech

Other Items	Charter	Crocker	Town-Owned
Contingencies	Must negotiate franchise agreement	Dependent on Crocker obtaining USDA financing; risk of make-ready cost over-run	Dependent on voter approval of bonded debt
Low-income option	Yes	Yes, for maximum 10% of subscribers	Town choice, but may impact rates
Data caps?	No	No	No
Fees/charges other than taxes?	Yes For various other options	No	No