



8/3/19

To: Scandia City Council

Re: Internet Expansion, Summary of Findings

Honored Council Members,

The Scandia Internet Focus Group was formed last year in response to public calls for a solution to the lack of affordable high speed Internet service available to many residents in Scandia.

Since then we have: Surveyed the public; issued a Request for Proposal to solve the problem; analyzed the responses; and worked with MidCo for the past couple of months to develop a solution that serves the entire community. At this time the Focus Group has come to the following group recommendation.

We see three paths forward at this time.

1. Defer a decision indefinitely.
2. Authorize a letter of support for MidCo to apply for a DEED grant this year and continue working with them to develop a plan to expand their hybrid fiber/coax wired solution to the rest of Scandia.
3. Focus on working with CTC, to develop a plan that will provide FTTH to every property in Scandia.

The Focus Group has determined that option 3, a FTTH solution, has the only real potential for solving the problem long term and recommends that the City re-engage with CTC, or another provider of FTTH in order to put together a plan that will provide this much needed infrastructure in order to insure Scandia's future viability.

Our consensus is that Frontier's response to the RFP presents a poor technological solution. Combined with the large negative outcry from the community, we rule them out of consideration.

Midco, while a fine company, appears reluctant to expand their wire line serves to everyone in Scandia. Their Asymmetrical hybrid fiber/coax and fixed wireless solutions would provide a slower and much less future proof technology than FTTH would. Particularly on the upload speed side, which is a crucial factor for future technologies and services such as Telemedicine, work from home applications, and other interactive applications. Those customers who want faster service on the upload side (i.e. Symmetrical service) would need to pay additional out of pocket cost for installation, roughly \$100.00/ft for running fiber to the home from the nearest node. Additional investment would likely be needed within the next 10-20 years in order to keep up with consumer demand for increased bandwidth.

CTC's Symmetrical FTTH technology would provide everyone in Scandia with service that will meet consumer needs for the next 20-30 years. The monthly service cost to consumers is competitive and reasonable, with higher speeds available to those that need or want it without additional installation costs. The solution proposed by CTC would provide higher speeds at a lower monthly cost to the consumer than MidCo. Implementing a FTTH solution would also add another choice of wired service providers to those currently served by MidCo or Frontier. This could give those customers increased leverage with their current providers, which should improve service and costs, should they not want to switch to the FTTH solution.

We do not recommend moving forward with any solution that does not provide wired service to the entire community, since any partial, piecemeal solution will make it more difficult to serve the remainder of the community, particularly those who currently have no service options at all.

In summary, the Focus Group's recommendation is to pursue a Symmetrical FTTP/H solution that will serve the entire City, with CTC, or another provider of FTTP/H service, and to decline to work with providers who do not want to meet that technological standard.

Sincerely,

The Scandia Internet Focus Group