

City of Alexandria, Virginia

# Municipal Broadband

Process to Review Alternatives

April 28, 2015



# Background



- Municipal broadband: City ownership of a fiber network that could potentially be used for any or all of the following:
  - Internet Service to ACPS and government buildings
  - Internet Service to local business
  - Internet Service to Residents
- Over 180 localities currently have some publicly owned fiber service

# Background



- The City undertook a study to provide a preliminary design and feasibility study in 2012 of City owned I-Net
  - Extend services to economic development zones
  - Extend to other enterprises within the City

# Background



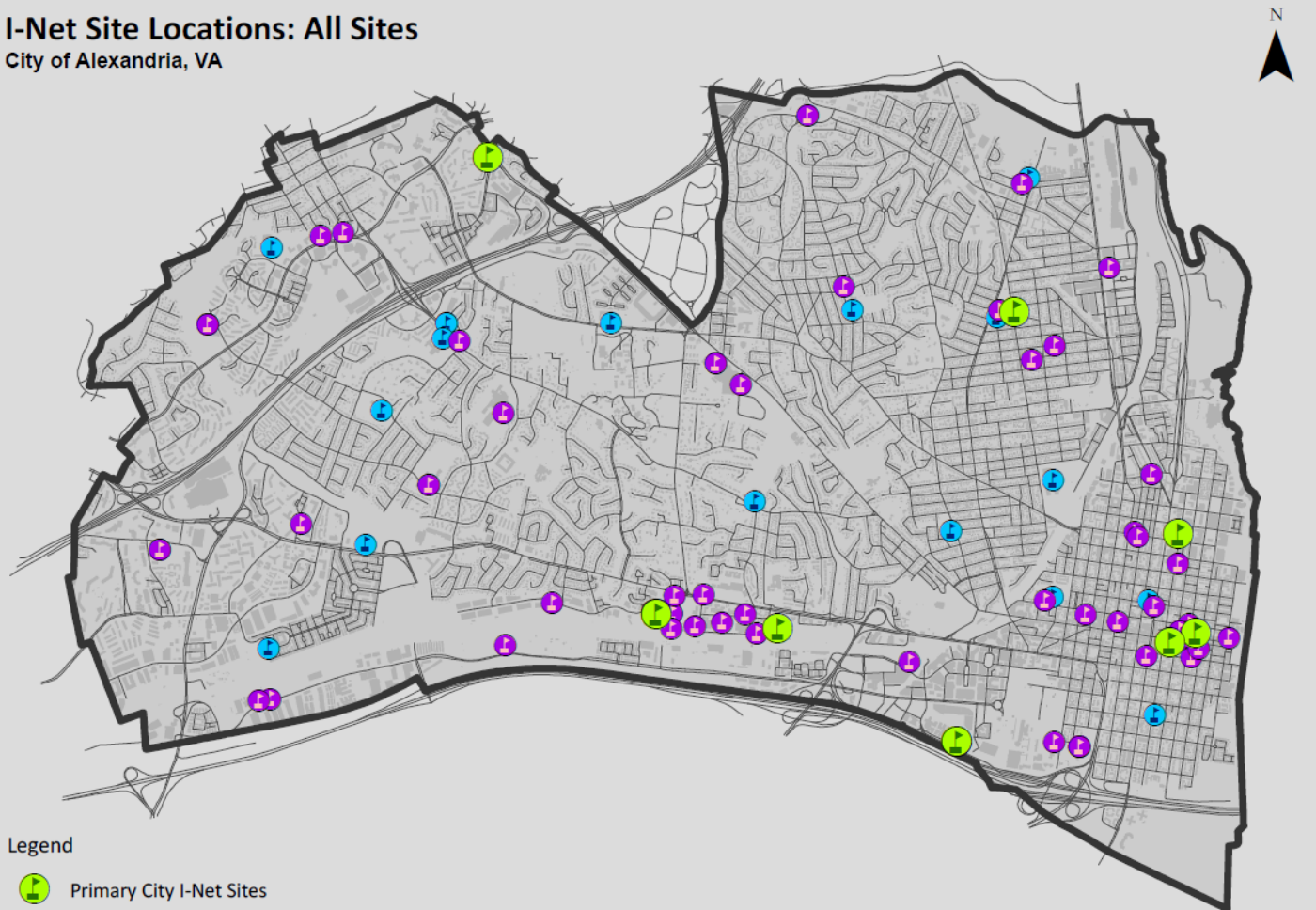
- City current I-Net connects over 40 local government sites and 20 school sites
- I-Net was started in the late 90s as a way to move data throughout the City and to connect users to the internet.

# Background






## I-Net Site Locations: All Sites

City of Alexandria, VA



### Legend

-  Primary City I-Net Sites
-  Secondary City I-Net Sites (Rec Centers, Fire Stations, Public Safety, Tavern Square, Etc.)
-  Other Civic/Institutional I-Net Sites (Schools, Libraries, Hospitals)

# Regulatory Framework



- Several restrictions for municipal broadband in VA
  - Municipalities cannot offer service at lower rate than incumbent and must go through petition process
- Alternative option: Arlington County is providing their own fiber and will allow private businesses and entities to lease and operate fiber
- The FCC recently ruled against state prevention of municipal broadband expansion, but these decisions are currently being appealed

# Current Conditions



- Currently approximately \$450,000 yearly expense for leasing fiber cable for City's I-Net from Comcast
- Comcast Franchise extension of 5 years is being negotiated to start in October 2016
- This fiber cable expense may increase significantly if Comcast forces the City into managed service

# Municipal Broadband Advantages



- Fiber internet access (fast gigabit speeds and reliability)
- Avoid ongoing leasing payments to ISPs
- Possible revenue from leasing to businesses
- Possible economic development tool for business growth
- Later could consider potential residential expansion by private entity to compete with current single provider



# Municipal Broadband Challenges



- Large upfront capital investment cost (Arlington County example)
- Construction: Disruptive to right-of-way (best to combine with other proposed subgrade projects)
- Unclear regulatory framework for any potential future residential offering
- How future-proof is municipal broadband with regard to technical obsolescence?

# Proposed Next Steps



- A Request for Interest (RFI) will allow the City to explore municipal fiber and consider a possible partnership with private providers
- Investment and upfront cost analysis to be undertaken
- Understand potential risks/rewards
- Understand Timeline for potential project
- Identifying most appropriate direction
- If decision is to proceed with broadband project second stage would include issuance of a competitive Request for Proposal (RFP)

# Timeline



- RFI (Fall 2015)
- Review results of RFI (Fall/Winter 2015)
- Presentation of broadband strategy to  
City Council (Winter 2015)

Note: Comcast agreement due to expire 10/16 for the first of three 5 year renewal periods of the 15 year agreement.