

## **WiredWest Town Information Meetings FAQ**

**Q. If a town already has a multi-year contract with a cable TV provider (e.g. Comcast or Time Warner), does that exclude them from participating?**

A. No, it just creates more broadband options. WiredWest will create a fiber optic network that will allow any vendor to offer TV, phone and broadband services in addition to any existing provider such as cable TV companies. The additional competition will give residents greater choice and we expect that the quality of a fiber optic service will be preferred.

**Q. My town already has broadband in part of the town. How would this new network affect existing broadband subscribers and providers?**

A. Some (or even all) of the residents in your town may already have access to broadband (via DSL, cable, or wireless). A new fiber optic network will be accessible to all residents -- whether or not they currently have broadband access.

In addition, our network is open-access, which means that any vendor, including existing broadband providers, may offer services using the faster, higher capacity fiber optic network. We believe the advantages to users of getting service over a fiber-optic network while supporting a community-owned asset will be strong incentives for people to choose the fiber option.

Throughout the country wherever fiber optic networks are deployed, residents with a choice of alternative broadband technologies usually switch to fiber. Municipal fiber-to-the-home (FTTH) networks have been around for about ten years and after four years the percentage of residents who choose to subscribe to services on a municipal FTTH is on average 54%, which is much higher than typical subscriber rates for DSL or cable broadband. Thus, we have good reason to believe that a fiber optic network will be successful and competitive with other technologies -- should a town be so lucky!

**Q. Why can't we just make Verizon provide us all with DSL?**

We believe this is a bad strategy for many reasons, not the least of which is that DSL is a last-generation stop-gap solution that is already inadequate, and will serve to hobble the future economic development of our region.

In addition, there would be enormous effort required financially and legislatively in trying to achieve this, with a low probability of success.

**Q. What will happen if DSL, cable or wireless broadband is installed in my town after WiredWest begins building its fiber optic network?**

A. It is possible that new and existing private providers may choose to expand access in your town, using last generation technologies, before the WiredWest

network is finished. It is highly improbable private providers would offer universal service to all, because it wouldn't be profitable enough.

If service was expanded, it's up to the potential users to review their options, including installation and termination fees and contract requirements.

In comparing these last generation technologies to fiber, we firmly believe fiber is a vastly superior long-term solution, and that the advantages to subscribers of service on a fiber-optic network that keeps revenues in the community will be strong incentives for people to choose the fiber option.

**Q. If the network is community-owned, how much will it cost the towns?**

Participating towns will not be asked to finance the capital costs of building out the network. Together the towns will determine the best business structure and model that will enable low-interest financing (likely municipal bonds) to construct and run a self-sufficient fiber optic network.

To finance the capital buildout cost, loan guarantees and/or additional funding may come from state, federal, or private sources. However, it is conceivable that the towns will be asked to provide financial support for the start-up phase for basic activities such as administration, legal counsel, market research, etc. Such contributions will be relatively small and proportionate to town populations. Moreover, any money asked from towns will be decided jointly by the towns themselves. We are keenly aware that towns have tight budgets and asking towns for significant cash or capital is a non-starter.

**Q. Does our region really need this kind of network?**

**A.** Building this type of network will have numerous important positive long-term effects for our region – and conversely, our existing internet infrastructure is obsolete and will stifle our region's prospects unless we take action to replace it.

**Positive Effects:**

- **Drive regional commerce and attract new business**
- **Keep telecom revenues in the region**
- **Lower unemployment**
- **Increase quality of and access to education**
- **Improve and streamline healthcare and public safety**
- **Streamline government operations**
- **Sustain the vitality of our communities.**

**Q: How long until high-speed internet gets to us?**

**A:** We cannot say precisely how long it will take given what we know at this point, only that we are as desperate for high-speed internet as you are. As a result, we're focused on enabling the buildout of infrastructure as soon as possible, which means we're now working on the pre-build requirements, including evaluation of business

models and sources of financing, operations planning, data collecting, negotiations and network design. We will keep our towns updated on developments – and you can also check our website. All that said, in the most hopeful scenario we would successfully form a regional entity, nail down a solid business case, and arrange for financing in twelve to eighteen months from now. Network construction would then proceed over a few years.

**Q. What type and level of service will be offered and how much will it cost?**

**A.** Our pricing goal is to be competitive with existing internet, TV and phone packages – and provide better service. The high capacity of a fiber-optic network enables high-bandwidth internet, high-definition television and phone service. Fiber also enables other ancillary internet-based services such as real-time two-way video in-home medical care; real-time two-way video education; home security; and “smart homes,” that enable remote management of heat, appliances, and power usage. Although the details on the types of service and affiliated costs aren’t confirmed, we’re actively working on the business model and financing for the network, which will drive the pricing and exact offerings.

**Q. Isn’t fiber too expensive for rural areas?**

**A.** Rural fiber-to-the-home being too expensive is a myth. It is too expensive for the business model of private providers – particularly those who are publicly-traded companies – who have to show profitability in a very short period. And that’s precisely why we don’t have ubiquitous high-speed internet access now – we’ve left it to the private market.

Think back to the rural electrification of America. Then, as now, it wasn’t profitable enough for private companies to build out electrical service to rural communities. Imagine where those communities would be today if the government hadn’t stepped in to help fund this essential service – which over time has sustained itself.

Rural fiber-to-the-home is affordable when you use an appropriate financing and business model that isn’t subject to the same short-term measures of profitability as a private company. A municipal model for example, allows capital investment that can be written off over a longer period of time.

Municipalities are also driven by the “common good” interest of providing critical infrastructure that serves a larger constituency: individuals, businesses, schools, government entities and service providers. It not only provides them with the essential tools to prosper, but also becomes a regional asset that employs people in the construction and operation of the service, and pays revenues for services back to the region.