

Broadband in Underserved Areas

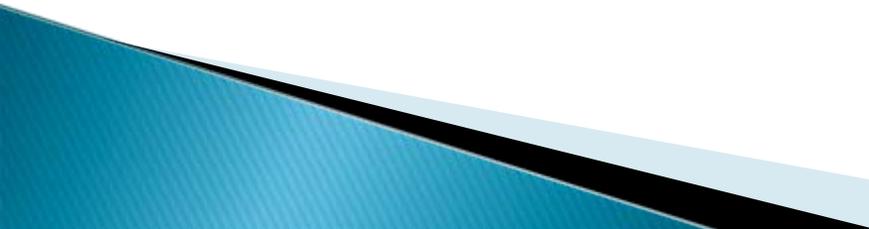
VACo Annual Conference

November 10, 2008

"But these cold figures do not measure the human importance of the electric power in our present social order. Electricity is no longer a luxury. It is a definite necessity. It lights our homes, our places of work and our streets. It turns the wheels of most of our transportation and our factories. In our homes it serves not only for light, but it can become the willing servant of the family in countless ways. It can relieve the drudgery of the housewife and lift the great burden off the shoulders of the hardworking farmer."

The "Portland Speech" September 21, 1932

Franklin Roosevelt



Broadband is a Required Utility

Why?

- ▶ Quality of Life: education, economic development, health care, public safety, etc.

Options for rural, underserved areas:

- ▶ Wait for Private Sector to Deploy Beyond Areas Currently Served
- ▶ Locality can provide service (limited circumstances)
 - Local Wireless Service Authorities (broader authority)
- ▶ Public/Private Partnership

King George Wireless Broadband Project

- ▶ 2006–Formed Wireless Authority as “best vehicle”
 - ▶ Benefits include separation from (“firewalled”) from locality’s General Fund
 - ▶ Wide–range of authority to undertake projects
 - ▶ Issue debt
 - ▶ Act as agent of BOS and Service Authority
 - ▶ Use of locally owned (or accessible by permit) vertical real estate owned, leased, or available under zoning/land use regulation
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King George Wireless Broadband Project

Summer–Fall 2006: Identified needs and goals for county–wide broadband; formed the King George County Wireless Service Authority.

Winter 2006/2007: Issued Request for Qualifications; interviewed 4 respondent companies.

Spring – Fall 2007: Worked with selected WISP to identify existing vertical assets (communications and water towers); established network deployment goals; began developing contract.

Fall 2007: Developed financing plan.

January 2008: Signed contract, and closed on financing; first disbursement of wireless network deployment funds made to WISP.

Summer–Fall 2008: WISP begins deploying equipment on communications and water towers throughout county; begin to sign up individual subscribers and county elementary schools.

King George Wireless Broadband Project

KGCWA Network Agreement

► Highlights

- 5-year initial term
- Deployment, coverage (70% of county in phase 1, 95 % ultimate goal) and service quality goals
- Initial target market: residences and businesses (government eventually)
- Contractor rights/fees re: access to locally owned cell and water towers
- Subsidized access to private towers
- Pricing for broadband services – not regulated
- Conflict/dispute resolution (RFI or other)
- Digital Inclusion
- FOIA: proprietary trade secrets/technical exhibits

King George Wireless Broadband Project

Financing Plan

- ▶ Loan to Wireless Authority from private bank
 - ▶ Loan from Wireless Authority to WISP
 - ▶ Moral Obligation of County
 - ▶ Security interest in equipment
 - ▶ WISP to repay loan in 5 years
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▶ Questions?

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