



BROADBAND FIBER REPORT

City Council Meeting

March 21, 2022

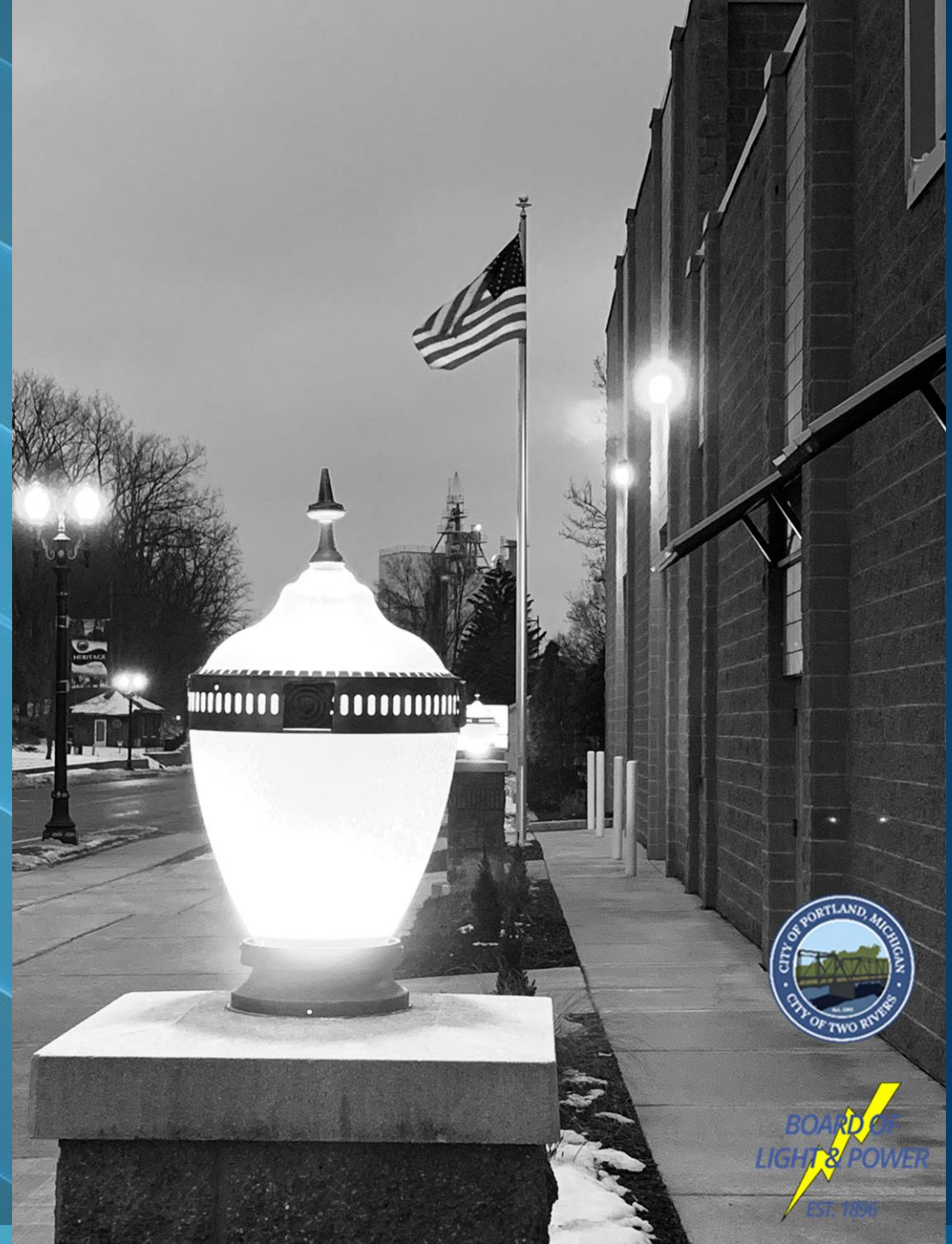
OVERVIEW

HISTORY/BACKGROUND

FINANCIAL

OPERATIONS

TIMELINE



HISTORY/BACKGROUND

2018 – CITY BEGAN EXPLORING OFFERING BROADBAND INTERNET
THROUGH ITS ELECTRIC UTILITY

BENEFITS FOR CITY OWNED FIBER NETWORK

FEASIBILITY STUDY AND STATISTICALLY VALID SURVEY
CONDUCTED

WORLDWIDE PANDEMIC COMPLICATED THE DUE DILIGENCE
PROCESS BUT ENHANCED NEED FOR RELIABLE INTERNET SERVICES.

FEASIBLE PATH FORWARD



OBJECTIVES

IN ORDER TO MEET THE CITIES EXISTING AND FUTURE TECHNOLOGY NEEDS IT IS RECOMMENDED THAT THE CITY AND ITS RESIDENTS HAVE ACCESS TO AN INFORMATION NETWORK THAT MEETS THE FOLLOWING CRITERIA:

FAST - INITIAL CAPABILITY OF MINIMUM 100 MBPS RESIDENTIAL AND UP TO 1 GBPS SYMMETRICAL RETAIL BROADBAND SERVICES.

RELIABLE – DEEP FIBER OPTIC NETWORK ARCHITECTURE WITHIN CITY LIMITS AND MIX OF UNDERGROUND AND OVERHEAD ARCHITECTURE TO MATCH POWER DISTRIBUTION SYSTEM.

ACCESSIBLE – AVAILABLE TO CITY OF PORTLAND BOARD OF LIGHT AND POWER CUSTOMERS.

PLANNED FOR THE FUTURE - PROMOTES **LONG-TERM** ECONOMIC AND COMMUNITY INTERESTS IN THE CITY OF PORTLAND AND ITS END USERS.



REGULATIONS

METRO ACT: A PUBLIC ENTITY MAY PROVIDE TELECOMMUNICATION SERVICES WITHIN ITS BOUNDARIES IF THE PUBLIC ENTITY HAS COMPLIED WITH THE REQUIREMENTS OF SECTION 14 OF THE METROPOLITAN EXTENSION TELECOMMUNICATIONS RIGHT-OF-WAY OVERSIGHT ACT, 2002 PA 48, MCL 484.3114, AND ALL OF THE FOLLOWING APPLY:

(A) THE PUBLIC ENTITY HAS ISSUED A REQUEST FOR COMPETITIVE SEALED BIDS TO PROVIDE TELECOMMUNICATION SERVICES.

(B) THE PUBLIC ENTITY HAS RECEIVED LESS THAN 3 QUALIFIED BIDS FROM PRIVATE PROVIDERS.

(C) IT IS MORE THAN 60 DAYS FROM THE DATE THE REQUEST FOR BIDS WAS ISSUED.

(D) THE PUBLIC ENTITY IS PROVIDING THE TELECOMMUNICATION SERVICES UNDER THE SAME TERMS AND CONDITIONS AS REQUIRED UNDER THE



FINANCIAL

CAPITAL FOR BACKBONE – THE PREDESIGN ESTIMATE TO BEGIN BUILDING AND MAKE READY A DEEP FIBER BROADBAND NETWORK IS APPROXIMATELY \$3.5 MILLION DOLLARS.

TAKE RATE ASSUMPTIONS – WE ARE CONSERVATIVELY ASSUMING THAT 32% OF THE PBLP CUSTOMERS WILL SIGN UP FOR FIBER BROADBAND INTERNET SERVICES.

VALUE – IF THE CITY BUILDS A BROADBAND FIBER SYSTEM AND CONTRACTS OUT OPERATIONS AND MARKETING, THE NETWORK WILL BE AN ASSET TO THE CITY, BUT FINANCIAL MODELS INDICATE THAT FOR THE FIRST 10 YEARS IT'S A PROFIT NEUTRAL ENTERPRISE.

SPECIAL ASSESSMENT – IF THE CITY BUILDS A DEEP FIBER BROADBAND NETWORK IT WILL NEED TO LEVY A SPECIAL ASSESSMENT TO RESPONSIBLY MANAGE CASH FLOW IN THE FIRST SEVERAL YEARS OF OPERATION.

OPORTUNITY – THE INFRASTRUCTURE TO PROVIDE INTERNET SERVICES CAN ALSO BE USED FOR PHONE, CELL PHONE, POINT TO POINT COMMUNICATION AND PRIVATE NETWORKING TODAY. AS TECHNOLOGY EVOLVES ADDITIONAL MARKETING OPPORTUNITIES MAY ARISE



OPERATIONS

THIRD PARTY – IF THE CITY BUILDS A DEEP FIBER BROADBAND NETWORK IT IS OUR INTENTION TO CONTRACT WITH A THIRD PARTY INTERNET SERVICE PROVIDER (ISP) FOR OPERATIONS AND MARKETING

EXPERIENCED – ISP MUST HAVE AT LEAST 5 YEARS OF EXPERIENCE OPERATING DEEP FIBER BROADBAND NETWORKS AND COMMITTED TO CONTRACT PERFORMANCE STANDARDS FOR SERVICE, TECHNOLOGY, BUSINESS AND ETHICS.

INVESTED LOCALLY – ISP MUST HAVE A LOCAL OFFICE AND U.S. BASED CALL CENTER

CUSTOMER FOCUSED – ISP MUST COMMIT TO CONTRACT PERFORMANCE STANDARDS FOR CUSTOMER SUPPORT AND OUTAGE RESPONSE

REASONABLY PRICED – ISP MUST BE PRICED COMPETITIVELY WITH SIMILAR LOCAL FIBER INTERNET SERVICE OFFERINGS



PREDEVELOPMENT PARALLEL PATHS FORWARD

PATH 1:

THROUGH THE COMPETITIVE RFP PROCESS, A QUALIFIED BROADBAND FIBER SERVICE PROVIDER IS SELECTED TO PROVIDE SERVICES TO THE CITY.

PATH 2:

THROUGH THE COMPETITIVE RFP PROCESS, NO QUALIFIED BROADBAND FIBER SERVICE PROVIDER IS IDENTIFIED FOR SELECTION. THE CITY PROVIDES THE SERVICE.



TENTATIVE SCHEDULE

PATH 1:

Q2 2022 – RFP PROCESS FOR FULL SERVICE BROADBAND SERVICE PROVIDER

Q3/Q4 2022 - CONTRACT NEGOTIATION, DESIGN/CONSTRUCTION PLANNING

Q2-Q3 2023 – NETWORK CONSTRUCTION AND PROVISIONING

Q4 2023 – INITIAL CUSTOMER HOOK UPS



Q1 - JAN, FEB, MAR
Q2 - APR, MAY, JUNE
Q3 - JUL, AUG, SEP
Q4 - OCT, NOV, DEC

TENTATIVE SCHEDULE

PATH 2:

Q2 2022 – RFP PROCESS FOR FULL SERVICE BROADBAND SERVICE PROVIDER

Q3 2022 – ENGINEERING RFP/AWARD

Q3/Q4 2022 – OPERATIONS RFP

Q3/Q4 2022 – NETWORK DESIGN, SPECIAL ASSESSMENT PASSAGE, BONDING

Q4 2022 – OPERATIONS CONTRACTING

Q4 2022 – CONSTRUCTION RFP

Q1 2023 – CONFIRMATION OF FINANCIAL MODELS

Q1 2023 – CONSTRUCTION CONTRACTING

Q2-Q4 2023 – NETWORK CONSTRUCTION AND PROVISIONING

Q4 2023 – INITIAL CUSTOMER HOOK UPS



Q1 - JAN, FEB, MAR
Q2 - APR, MAY, JUNE
Q3 - JUL, AUG, SEP
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QUESTIONS

