

Joint Economic Development Organization Shawnee County and City of Topeka

Request for Information Broadband Services

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1 Summary

The Topeka and Shawnee County Joint Economic Development Organization (JEDO) seeks ways to improve broadband access throughout Topeka and Shawnee County. While parts of Topeka and Shawnee County currently enjoy access to broadband services meeting the FCC Baseline performance standard, many do not. The goal of this RFI is threefold:

- 1. Make available a minimum of 25/3 Mbps service to virtually all premises within the County rural and urban alike.
- Ensure that every household has access to a minimum of 25/3 Mbps service, especially
 households with school-aged children. In addition, the Program seeks to identify ways to allow
 households who may not be able to afford even reduced-price service access to home
 broadband.
- 3. Introduce gigabit services to parts of Topeka and Shawnee County that are currently well-served with broadband infrastructure.

JEDO invites interested parties to respond to this Request for Information in order to better understand how JEDO might be able to work with providers to build out service in unserved or underserved areas. Respondents may include internet service providers (ISPs) that currently serve residential or business customers, providers of wholesale services (such as transport) to ISPs, or organizations that operate programs to provide internet access to low-income populations.

2 Background and Introduction

Topeka and Shawnee County recognize that the availability of fast, reliable, affordable internet service is required to ensure its continued competitiveness in the 21st century. Broadband is essential infrastructure that supports business creation and growth; this leads to attracting and retaining young people and families in a community. Broadband is also critical infrastructure for a community: public safety, education, health care, and employment searches rely on reliable, performant broadband networks.

In 2013, the Intergovernmental Cooperation Council agreed to work on developing ways to ensure that reliable, high-speed internet access was available to the entire Topeka community. The City of Topeka and Shawnee County were selected as a pilot community to address high speed broadband service delivery by the Kansas Department of Commerce (KDOC) in August of 2014 as part of the Kansas Department of Commerce Statewide Broadband Initiative. As part of this selection process, KDOC commissioned an economic impact study of the installation of such a network on the City and County (the "2014 Impact Study").

The next year, in 2015, Mayor Larry Wolgast convened a Broadband Task Force charged with developing an RFP for broadband consulting services. Managed by JEDO, the Topeka and Shawnee County Joint Economic Development Organization, the RFP sought responses from qualified companies to provide a road map to implementing the kind of reliable, high-speed broadband network that Topeka and greater Shawnee County require to remain competitive in the 21st century and beyond.

Following on that RFP process, JEDO selected Tilson as its broadband consultant. Tilson is a multispecialty consulting and telecommunications services company that designs, engineers, and builds telecom infrastructure and advises government clients on how to improve broadband access for their

citizens. It is not an internet service provider. The company was founded in 1996 and is headquartered in Portland, Maine, with 17 offices around the United States.

Working with Tilson, JEDO has embarked on a multi-phase program to identify the parameters for a public-private partnership in order to bring broadband access to the parts of Topeka and rural Shawnee County that lack it. In Phase 1, completed earlier in 2018, Tilson validated the CostQuest economic model for fiber to the premise and confirmed with the JEDO board that the price associated with an all-FTTP solution greatly exceeded the City or County's capacity and willingness to take on.

The current phase, of which this Request for Information (RFI) is part, is to gather more concrete details from internet service providers on the exact parameters a public-private partnership could take that would make it attractive for them to offer service in unserved or underserved areas of Topeka or Shawnee County. Depending on the results of this RFI, JEDO may release a Request for Proposals to select formal proposals. It may also choose to enter negotiations directly with one or more respondents to this RFI.

2.1 Previous Report and Project Website

The project's website is hosted by the Topeka & Shawnee County Public Library, at https://tscpl.org/community-broadband. Tilson's presentation to the JEDO board in May 2018 is available on that page.

3 Response Process and Requirements

3.1 Schedule

Following are key dates and contacts for this RFI. JEDO and Tilson are here as resources for respondents in this process.

Item	Date
RFI Released	18 September 2018
Questions Due	3 October 2018
Answers to Questions Posted	18 October 2018
Responses Due	26 October 2018

3.2 Point of Contact

The main project contact for this RFI is:

David Radin dradin@tilsontech.com (207) 358-7443

Please direct all correspondence to him via email.

3.3 Response Submission

Responses should be in searchable PDF form and submitted via email to the contact above. If your response package exceeds the mailbox's allowed size, feel free to break it into multiple emails.

3.4 Confidential Information

If your response contains confidential information or trade secrets, please provide a separately identified PDF file with such information redacted and mark it "Public Copy" on the title page. The burden to identify and withhold from the Public Copy any trade secrets, commercial or financial information, shall rest with the respondent.

4 Post-RFI Process

JEDO will review responses to this RFI and determine next steps based on the responses received. In reviewing responses, JEDO will consider:

- a. The likely ability of the respondent to meet the requirements outlined in Section 6
- b. The quality of service the respondent is likely to be able to offer residents and businesses as part of a public-private partnership
- c. The respondent's experience and qualifications
- d. The likely and potential cost to each involved public partner in entering into a public-private partnership
- e. The likely and potential cost to end users to receive services as offered under a public-private partnership
- f. The technical feasibility of the respondent's proposal
- g. The level of ongoing oversight and responsibility required of each involved public partner under a potential public-private partnership
- h. The long-term ability of public partners and/or end users to have influence on the quality, availability, and cost of broadband services

Based on the responses received, JEDO will likely choose to issue a formal Request for Proposals. However, it reserves the right to negotiate with one or multiple respondents and request changes to their responses to arrive at a mutually satisfactory agreement, or to pursue a different course.

While JEDO plans on proceeding with the development of public-private partnership(s) with one or more suitable respondents, it reserves the right to discontinue these efforts if it determines this to be in JEDO's or the project's best interests.

5 Summary of Existing Broadband Services

This section provides a high-level overview of the current broadband services landscape in Topeka and Shawnee County. It is not meant to be an exhaustive list but rather to provide the reader with a sense of the current available service levels. Six providers currently offer services in and around Topeka and Shawnee County. They are summarized in the below table.

Table 1 — Current Broadband Providers in Shawnee County

Company	Technology	Areas Served
AT&T	DSL	Portions of Shawnee County
CenturyLink	DSL	Portion of northwest Shawnee County
Сох	Hybrid Fiber-Coax	Topeka, adjacent suburbs, and Silver Lake
Kwikom	Wireless	Parts of Shawnee County south and
		northwest of Topeka
Mercury Wireless	Wireless	Portions of rural Shawnee County
Wamego Telecommunications	Hybrid Fiber-Coax	Northwestern corner of Shawnee County

The below map shows the different study areas that had been previously modeled for new service deployment by CostQuest and Tilson. Topeka is the gray section in the middle.

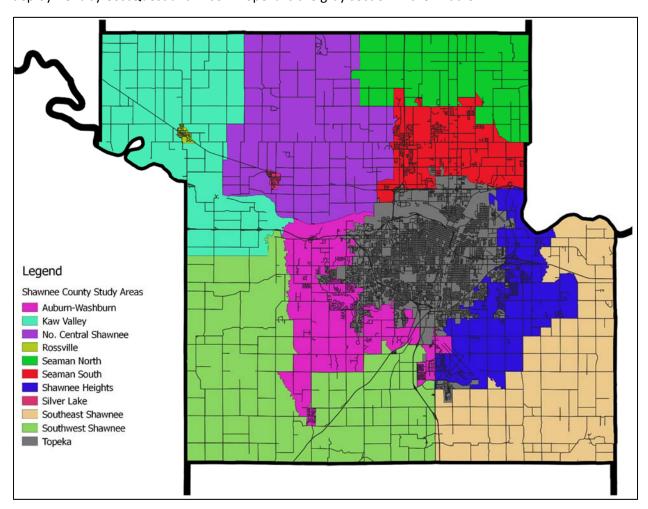


Figure 1 — Shawnee County Study Areas

In general, based on current service levels, the Program considers each zone served with a minimum 25/3 Mbps as shown in Table 2.

Table 2 — Study Area Service Levels

Served	Unserved	
Topeka	Kaw Valley	
Auburn-Washburn	North Central Shawnee	
Seaman South	Rossville	
Shawnee Heights	Seaman North	
Silver Lake	Southeast Shawnee	
	Southwest Shawnee	

6 Program Goals

In general, the Program seeks to bring affordable broadband to all areas that currently lack access to at least 25/3 Mbps service, while promoting gigabit services in areas that are currently otherwise well-served. It also looks to ensure that school-age children throughout Topeka and Shawnee County have access to broadband services at home that are adequate to complete schoolwork. The JEDO board has summarized its goals for the program in Figure 2. Providers are welcome to submit responses that address any of the goals.

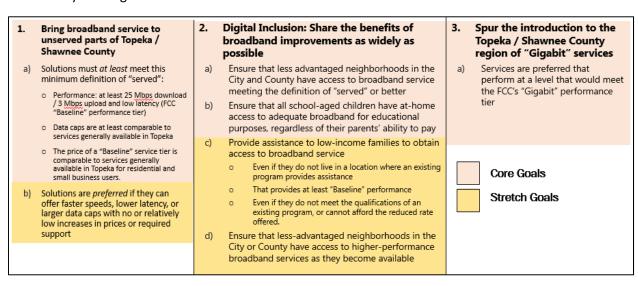


Figure 2 — Broadband Program Goals

Another way to state the program goals is by current service levels, as shown in Table 2. For areas that are currently unserved, the Program would seek solutions that are at least 25/3 Mbps, with a preference for greater speeds. In all areas, the Program would look for solutions to increase the availability of gigabit-class services.

Secondly, the Program seeks to promote digital inclusion: ensuring that everyone has the opportunity to access to at least 25/3 Mbps service. To that end, respondents are asked to propose solutions that include what JEDO can do at low or no cost to itself in order to make these areas more attractive for providers to invest in.

Since the purpose of this RFI is to better understand the parameters under which ISPs might build out service in Shawnee County to achieve the Program's goals, an important aspect of responses will be

financial assistance required. JEDO is most interested in one-time "shot in the arm" assistance that allows an operator to self-sustain the resulting network. It prefers this financial assistance to target creation of long-lived assets (e.g. fiber, conduit, towers/poles).

7 Potential Incentives

JEDO is open to discussing a variety of monetary and non-monetary incentives. It has not decided on any particular incentives or ruled any out, though it has a strong preference that monetary incentives paid for with public funds should be one-time-only and not ongoing subsidies. Types of incentives that JEDO is seeking comment on include both ones that JEDO can provide directly and others that another local government agency would be able to provide, but that JEDO could facilitate with that agency:

Financial

- One-time capital assistance. This incentive would involve a one-time payment to an ISP to ensure it has the capital to build network infrastructure
- Assistance identifying funding sources, such as local grants, matching funds, or private equity
- Bulk-purchasing agreements for low-income residents to support digital inclusion

Other Assistance

- Access to real estate, such as towers, water towers, buildings, or City/County-owned property or rights-of-way
- Franchise agreements with local jurisdictions, potentially for right of way access
- Assistance securing pole licenses from pole owners
- <u>Streamlined permitting process</u> to reduce time and complexity of securing County- or municipally-granted permits
- Assistance with presubscription campaigns to identify areas of committed new subscribers
- Obtaining EBS spectrum from schools
- Assistance identifying local people to hire as field technicians, project managers, or other staff

The above lists are not meant to be exhaustive, but rather to provide a set of possible incentives JEDO or other governing bodies might consider. JEDO welcomes other suggestions from respondents.

7.1 Sample Scenarios

It may be helpful for respondents to consider these three scenarios as possible ways JEDO and a given ISP might proceed. These are just samples, and do not represent any actual incentives or decided plan from JEDO.

7.1.1 Scenario 1 – No Financial Support

In this scenario, a given ISP would build out either wireless service in rural Shawnee County, or gigabit fiber to the home in already-served areas of Topeka. JEDO would provide only non-financial support, such as a streamlined permitting process, access to publicly-owned towers, and a presubscription campaign.

7.1.2 Scenario 2 – Capital Cost Grant Only

In this scenario, a given ISP would build out either wireless service in rural Shawnee County, or gigabit fiber to the home in already-served areas of Topeka and/or Silver Lake. JEDO would arrange for a capital grant to cover a portion of the network construction cost, but would not provide other assistance.

7.1.3 Scenario 3 – Non-Financial Support with Loan

In this scenario, a given ISP would build out either wireless service in rural Shawnee County, or gigabit fiber to the home in already-served areas of Topeka and/or Silver Lake. JEDO would provide non-financial support, such as assistance securing pole licenses or EBS spectrum and access to towers or conduit. It would also provide a loan to ISPs to provide working capital until their networks were up and running.

8 Response Information

8.1 Requirements

Responses should clearly articulate an approach to achieve as many of the Program goals as possible, as shown in Figure 2 on page 5. If a respondent wishes to limit geographic scope of their solution, such as proposing to build out service in only a certain rural part of Shawnee County, then they should clearly describe the limit and explain what kind(s) of additional incentives would allow them to build to areas not otherwise considered.

8.2 Outline

Respondents are asked to use this outline in preparing their responses. If a question is not applicable, please note it in your response. The purpose of this questionnaire is to get a better understanding of ways to create mutually beneficial partnerships between local government and organizations that can improve access to broadband in Topeka and Shawnee County. Questions are numbered for convenience.

8.2.1 Company Information and Current Services

- 1. Describe your company's background.
- 2. What portion(s) of Kansas and surrounding states do you currently serve?
- 3. What portion(s) of Shawnee County do you currently serve, if any?
- 4. How many total residential customers do you have? How many business customers?
- 5. What technology or technologies do you use to provide broadband service (FTTH, wireless, HFC, etc)?
- 6. What are your current service tiers and pricing?
- 7. Do you enforce data caps? If so, how are they structured?
- 8. What equipment are customers required to purchase or rent, and what are the associated costs?
- 9. Do you charge installation fees? If so, how much?
- 10. Do you provide VOIP service?
- 11. Do you provide TV service with a similar user experience to that of cable TV (i.e., not over-the-top streaming)?
- 12. Has your company participated in other incentive programs to expand coverage or increase speeds? If so, what are some examples?

13. Does your company currently offer a low-cost option for low income households? If so what are the low-cost service tiers, data caps, and prices?

8.2.2 Expansion Requirements into Shawnee/Topeka

Please describe both your <u>ideal</u> and <u>acceptable</u> parameters on the following aspects, in order to achieve your proposed solution. The RFI is asking respondents to comment on conditions required to provide gigabit service and to build out service where none currently exists. In your response, please indicate which condition you are responding to. It is not required to propose both conditions.

14. Existing providers

- 14.1. If you currently provide service in Topeka or Shawnee County, what are your existing service levels and geographic reach?
- 14.2. If you currently provide service in Topeka or Shawnee County, what are your plans for network expansion or service enhancement?
- 14.3. If you currently offer services in Topeka or Shawnee County, how many employees do you have within Shawnee County?

15. Demographics

- 15.1. What is the minimum population density (e.g., premises passed per mile) that you require to build service without financial assistance?
- 15.2. What minimum take rate do you typically require in order to build service without financial assistance?
- 15.3. If you do not currently serve Topeka or Shawnee County, would you propose to hire a certain minimum number or percentage of local employees to support new services? How would you approach deciding how many local employees to hire?

16. Technical

- 16.1. What bandwidth/transport requirements would you have, either per subscriber or in general for a given number of subscribers?
- 16.2. How much spectrum would you require to provide service, if applicable? What bands would you use? Would you require assistance in securing spectrum rights? If so, what kind of assistance?
- 16.3. How do you propose to handle equipment upgrades? What is the upgrade path for your proposed solution?
- 16.4. How do you reinforce your network to support higher speeds and utilization?

17. Ownership model

- 17.1. Whom would you expect to own fiber laterals and/or drops?
- 17.2. Whom would you expect to own wireless equipment?
- 17.3. Whom would you expect to own towers?
- 17.4. Whom would you expect to own other network assets?
- 17.5. Under what circumstances would you be willing or able to use transport or assets owned by another entity?

18. Financing

- 18.1. Taking into account the above parameters, under what circumstances would you self-finance your proposed solution?
- 18.2. Taking into account the above parameters, under what circumstances would you seek financial assistance?

18.3. How would different levels or types of assistance influence your willingness to build out new service?

19. Rights of way

- 19.1. What policies and/or administrative processes would you seek in order to deploy service?
- 19.2. What policies and/or processes have you worked with in the past that you found reasonable or unreasonable?
- 19.3. Please describe your real estate needs to build out service. What kind of assistance would you ask of JEDO?

20. Presubscription

- 20.1. Do you currently use a demand aggregation or presubscription process? If so, what thresholds do you require for building out service?
- 20.2. How do you establish the target areas and presubscription goals?
- 20.3. Would you commit to build-outs in Shawnee County or Topeka if targets were met?
- 20.4. Whether or not you currently use presubscription campaigns, would you be willing to do so in Topeka and Shawnee County? Is there a process or program you prefer?

21. Geography

- 21.1. Which specific area or areas do you think it feasible to build out service in from a business standpoint, without financial assistance?
- 21.2. Which specific area or areas do you think if feasible to build out service in from a business standpoint, with financial assistance?

If you would propose a wireless solution, also indicate:

- 22. Minimum number of customers required per base site for you to deploy new service without financial assistance
- 23. Whether you would be willing to deploy new base sites to serve a lower number of customers than the above minimum, and if so, what kind(s) and amount of assistance you would require
- 24. Your willingness to receive support in the form of low- or no-cost access to long-lived assets (fiber backhaul, towers/poles/other vertical real estate) in return for commitments to deploy service
- 25. Your willingness to receive support in the form of low- or no-cost access to long-lived assets (fiber backhaul, towers/poles/other vertical real estate) in return for commitments to deploy service even to areas of customer density that would otherwise not meet your standard business case analysis
- 26. If you would be open to such support, what kind of assets would you seek access to?

JEDO is generally not interested in providing ongoing subsidies, such as for radio replacement or to make up operating costs.

If there are other relevant parameters not discussed above, please include them.

8.2.3 Low Income Services

A key Program goal is to ensure that all school-age children in Topeka and Shawnee County have access at home to at least 25/3 Mbps service regardless of ability to pay. As a second, stretch, goal, JEDO would like to see proposals to provide a minimum 25/3 Mbps service to all low-income households, regardless

of whether there are children present in the household. To that end, respondents should describe the following:

- 1. In areas you would build out or have built out, would you be willing to provide minimum 25/3 Mbps service for a nominal fee, for example \$10 per month?
- 2. What data caps, if any, would you propose to enforce on a low-income plan? The Program's goals are that any proposed data caps be at least comparable to services generally available in the areas proposed.
- 3. What options would you provide for people who may not be able to afford even a nominal fee, such as accepting payment from a third party or allowing such people to access a communal pool of bandwidth?
- 4. What requirements (financial/operating) would you have in order to do this?
- 5. How would you determine the pricing structure?
- 6. Who would be eligible?