



County of Los Alamos

Council Meeting Staff Report

August 23, 2011

Agenda No.:	B.
Indexes (Council Goals):	FY11 Council Goal - Diversify the Economy-Revitalize WR & LA Downtowns/ Provide Wideband Telecommunications Access Throughout the County
Presenters:	John Jones; Laura Gonzales
Legislative File:	4213-11

Title

Community Broadband Network (CBN) 30% Project Completion for Council Renewal of Commitment to Next Interval (60%).

Suggested Motion

I move that Council renew its commitment to the Community Broadband Network project by supporting the next phase to 60% completion, due December 2011, based on community feedback and majority support of the fiber optic network installation in Los Alamos County, including White Rock.

Administrator's Recommendation

The County Administrator recommends that Council approve the motion as presented.

Body

During the August 3, 2010 Council Meeting, Council endorsed the scope of the Community Broadband Network Study as identified by the deliverables and business plan model sections of the staff report and directed staff to consider this a Phase 2 conceptual design study.

During the April 19, 2011 Council Meeting, Council approved Budget Revision No. 2011-42 to award Service Agreement No. AGR11-3778 to Crestino for design and consulting services (in the amount of \$511,690 plus GRT) with the intent for Council to renew its commitment to the project at 30, 60 and 90% completion intervals.

At this 30% project completion interval, the following updates can be presented in support of continuation of the Community Broadband Network project:

Market research, both quantitative and qualitative, has provided approval measures of 75% residents feeling CBN is at least a good idea with 71% willing to switch to a provider that would offer broadband service. Eighty-Five percent of residents look forward to an "open network" to encourage competition and choice among service providers. Only 22% of LAC residents report reliable television service, with 67% willing to switch to a broadband capable service provider. This same market research also suggests that 71% of business owners feel broadband is a good idea for the community.

The following reasons should be considered in support of continuation of the CBN project:

Advances in Ethernet equipment performance, decline in equipment, fiber and construction prices, additional LAC conduit and infrastructure since 1997, general consumer behavior toward and uses for broadband, obsolescence of copper-based DSL technology and continued increase in video-sharing and technology advancements requiring broadband.

Council will review the study at 60% and 90% completion intervals to consider and again, renew its commitment to the project.

Alternatives

Cancel the remainder of the Phase II design/project, returning remaining funds to the Major Network Maintenance budget. Cancelling the project would mean remaining where we are in terms of fiber infrastructure in the County. The County would stop efforts to investigate open network, health, educational and potential new economic possibilities in relation to a high-speed fiber network.

Fiscal and Staff Impact/Planned Item

The cost estimate, as outlined in the April 19, 2011 meeting with no deviation, for the entire study including detailed design, business plan, staff salary, market research, and public relations is \$849,705 including GRT and a contingency of

approximately 5.8%. This averages to a cost of about \$100 per premise, including contingency, based upon average utility electric billing per month of residences and business in Los Alamos County totaling 8,450 premises. Based upon information we have received from other communities in the United States implementing FTTP, this is a lower cost for design per premise. In reviewing the phased approach for the design, some of the items listed in the 30% phase were distributed between the 60 and 90% phases based upon information required from the initial market study. This includes business modeling, operations plan, funding structures and capital expenditures.

Attachments

A. CBN PowerPoint Presentation