

# Memo

To: Cornell Knight  
From: Stephen Cornell, Technical Systems Admin  
Date: 1.12.2016  
Re: CTF recommendation to Council

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Attached is the recommendation and supporting documents to accompany the motion made by the Communications Technology Task Force (CTTF) in regards to the Fiber to the Premise network project on December 21, 2015.

The CTTF began working on this project due to the Council goal of increasing Broadband Internet access. The Tilson study and documents outlining 'Risk', 'Why', and 'Cost' are the result of the project, and included input from multiple public workshops. The FTTP brochure contains an overview of what Fiber is.

There is a joint workshop with Council and CTTF Feb 2, 2016 and we hope to discuss the recommendation at that time after a chance to review the documents.

## **Communications Technology Task Force Recommendation to Council**

Following extensive discussions, meetings, and public workshops, the Communications Technology Task Force (CTTF) made the following motion at its December 21, 2015 meeting "Recommend to Council that we build the entire FTTP – (Fiber To The Premise) network at once as this is most beneficial to the residents of Bar Harbor".

High speed Internet access has become essential to people and business as more things move to online only access and becomes an integral part of our day. CTTF feels that Internet access is becoming as important to people's lives as other services such as electricity, water, and sewer.

CTTF also feels that Internet access should follow a utility model and be provided similar to water & sewer service in Bar Harbor. A Pew study <http://www.pewinternet.org/2015/12/21/home-broadband-2015/> in 2015 indicated that 69% of all Americans surveyed indicate that not having a high speed Internet connection would be a *major disadvantage* to finding a job, getting health information or accessing other key information – up from 56% who said this in 2010.

Why should the town do it? If not, who? In the mid-1930s, when nine out of ten rural homes lacked electric service, the unavailability of electricity in rural areas kept their economies entirely and exclusively dependent on agriculture. Factories and businesses, of course, preferred to locate in cities where electric power was easily acquired. For many years, power companies ignored the rural areas of the nation due to a low rate of investment return. President Franklin D. Roosevelt's Executive Order in 1935 established the Rural Electrification Administration (REA). Within four years following the close of the World War II, the number of rural electric systems in operation doubled, the number of consumers connected more than tripled and the miles of energized line grew more than five-fold. By 1953, more than 90 percent of U.S. farms had electricity. With the lack of density for customers in Bar Harbor, incumbent providers such as Time Warner Cable & Fairpoint will not invest in the infrastructure required to deliver more broadband access in the near future. A more detailed outline of what happens and why we should do this is at <https://medium.com/backchannel/big-cable-owns-internet-access-here-s-how-to-change-that-131fe62cd98f#.lgefjwse8>

CTTF does not make this recommendation without considerable thought, and is aware this project could cost millions to implement. We believe that an increase in the value of homes and businesses with a high speed fiber connection will help offset any increase in out of pocket tax cost.

Studies show the average value of a home goes up an average of \$5000 with a fiber connection to the premise, as shown by researchers at the Fiber-to-the-Home Council. <http://www.itstelecom.net/images/FTTH%20Broch%20FINAL.pdf> (included). Other studies show that home values increase +3%. And fiber-optic Internet doesn't only improve homes, it's great for communities as well. Fiber-ready areas are more attractive to businesses, especially tech companies that rely on the fastest Internet speeds. More businesses, including home based ones, mean more jobs – and a better economy. And fiber Internet access can also improve public services, including healthcare, safety and education.

While taxes to build anything will increase, the CTTF also believes that Internet costs users pay will likely go down while access speed increases, resulting in a net win to all residents. We also recognize that historically low costs for borrowing will make any construction project now a little easier to save money on the entire network.

Bottom line, the CTTF feels providing fiber to each household and business is an economic development driven project for all residents in the community, and we have the encouragement and broad support of many local organizations and residents.

