

## FIBER FROM DAY ONE...

the Palo Alto community and the City government benefit from the use of, and the competition generated by...

- ∞ Over \$40 million investment
- ∞ Citywide
- ∞ Open-access
- ∞ Fiber to the Premise
- ∞ Active Ethernet
- ∞ Professionally managed wholesale network with...
  - City retaining ownership of all its assets, then...
  - Permitting the term-certain use of some surplus dark fibers (City dark fiber network utilization today runs about 25%, this deal will move it to about 50% utilization)
  - Transferring net income of about \$700,000 annually from a doomed business (commercial dark fiber licenses subject to cannibalization)
    - SPE will offer , at wholesale, both dark fiber and lit fiber
    - SPE costs for professionally managing both dark and lit fiber networks barely more than managing lit network alone
      - ∞ City can't compete, shouldn't compete
    - Attractive to service providers (SP's)
      - ∞ now SP's can design and deliver a full suite of retail offerings, dark fiber and lit fiber
  - City uses commercially reasonable efforts to save itself money
  - City holds option to acquire entire citywide FTTP network for \$1
  - Maybe some street cut or pole attachment fees get waived, whatever, that'll be 'chump change'
  - In fact, the entire "commitment of value" by the City will turn out to be 'chump change', relative to the massive benefits received from fiber

## ...FROM DAY ONE, AND FROM NOW ON

["The City dark fiber network may provide the key that unlocks the Fiber to the Premise \(FTTP\) treasure chest the community has sought for over a decade."](#)

----- Bob Harrington, Advisor to Mayor