



# Ownership/Non-ownership

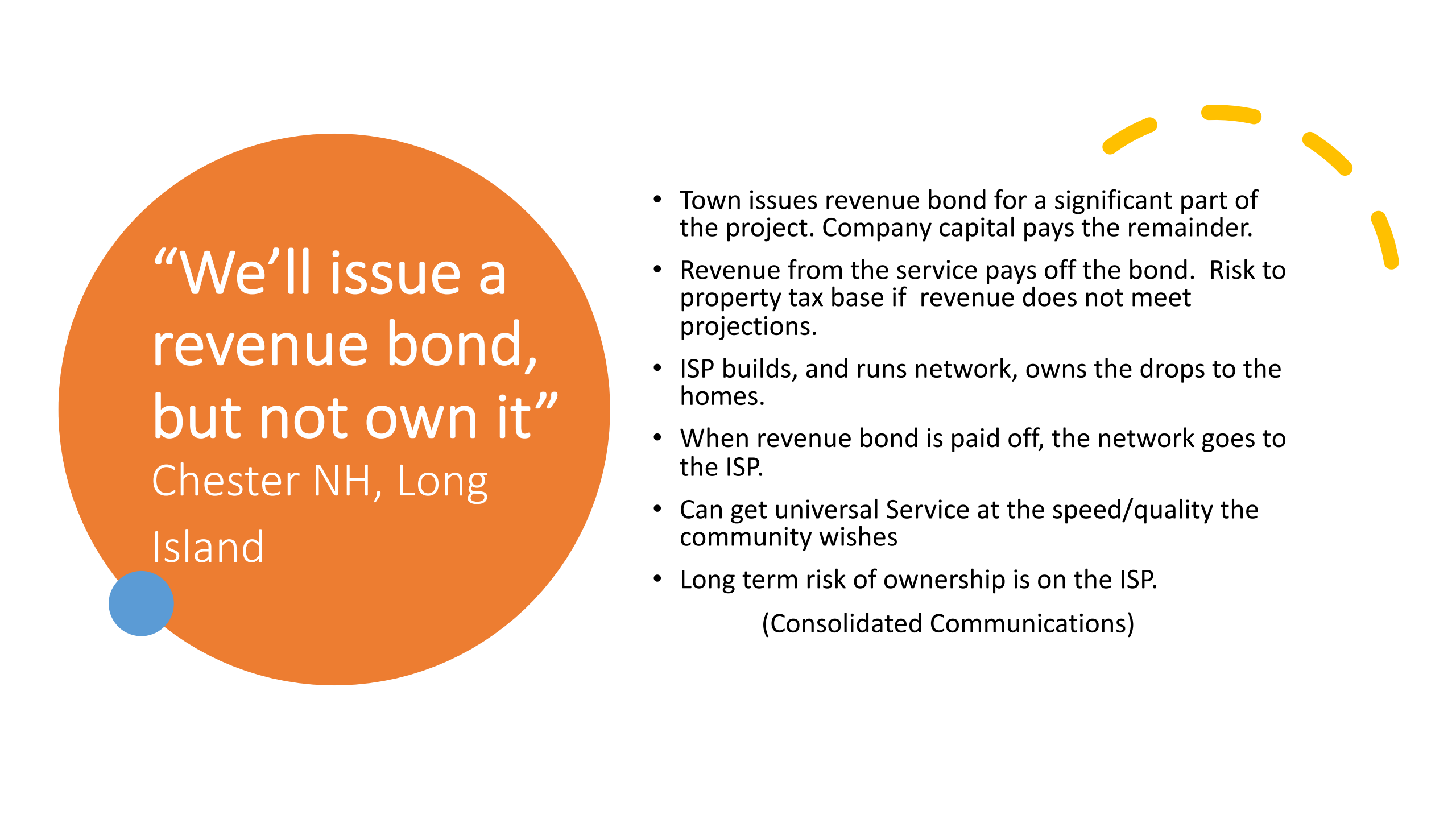
Understanding the models, the risk and the reward

## “Just do me”

Cambridge,  
Hudson,  
Bowdoinham,  
Damariscotta,  
Alton, Argyle...

- Community engages the interest of a (usually incumbent) ISP, who decides based on take rate, density and cost, that the ISP can make money by expanding service.
- Often requires some funding from Community or other sources (ConnectMaine or Federal.) But not always.
- No community ownership or control. No control over cost, future expansions or improvements.
- No ownership or debt risk on the part of the community.
- May not be universal service for entire community.
- No control over the resource, including digital inclusion (affordability.)

(Otelco, Premium Choice, LCI, Consolidated, Charter, GWI)



“We’ll issue a  
revenue bond,  
but not own it”  
Chester NH, Long  
Island

- Town issues revenue bond for a significant part of the project. Company capital pays the remainder.
- Revenue from the service pays off the bond. Risk to property tax base if revenue does not meet projections.
- ISP builds, and runs network, owns the drops to the homes.
- When revenue bond is paid off, the network goes to the ISP.
- Can get universal Service at the speed/quality the community wishes
- Long term risk of ownership is on the ISP.

(Consolidated Communications)



“Let’s share”  
Carthage/Weld  
Franklin County

- ISP covers 70% of the build cost, and ongoing operational costs.
- Communities cover 30% of the cost (pole attachment) and own 30% of the project.
- Community can buy back the project at a discounted price starting in year 10.
- Communities must guarantee a take rate and projects have to have a minimum density.
- Multitown projects with big price tags.

(Matrix)

“Let’s do this  
together”

Downeast  
Broadband Utility.

- Municipal Utility district created with the power to incur debt, own infrastructure. Community board of directors
- Calais and Baileyville “guaranteed” financing.
- DBU borrowed funds to build and operate. Subscription Revenue pays off loan and operational costs
- RFI out the build and operations.
- Risk if revenue does not meet projections is on the towns
- Universal Service. Open Access
- Towns have to agree to work together (Pioneer)

“Let's start  
small, with a  
specific goal”  
Sanford, South  
Portland

- Bring Fiber to a specific purpose or area
- Sanford used EDA funding to connect Sanford to 3RB, and brought fiber to their industrial center
- SoPo paid for fiber to run to town owned facilities
- Both projects are now expanding service to businesses and residential areas.
- SoPo is an anchor tenant. Sanford owns the network.
- Bite off one problem at a time. Build expertise and demand with current services.
- Don't over extend to less profitable areas (residence) until the numbers work.
- Both partner with GWI to run, maintain and operate the network.



“We want to own it, but get most funding from a grant” Roque Bluffs, 3BIBB LLC, Monhegan, Somerville

- Town ownership, mostly federal with some state and local funding
- Arrowsic and Georgetown, Westport formed LLC. Each town is applying for their costs separately.
- Federal funding has significant restrictions on eligibility
- Complex, expensive cumbersome process
- Universal Service at quality of service town wishes
- LONG lead and lag time
- Private ISP operates, maintains network from revenues (Axiom)

# “We got this”

Islesboro, Cliff  
Island, Cranberry  
Isle

- Towns own infrastructure, funded through property tax or investors.
- Islesboro owns the front office (billing, subscriptions) and keeps the cost equal for everyone \$360 /yr for a gig service.
- Cliff Island had private investment with a low rate of return.
- Town retains complete control over the infrastructure, contracts out the operations and maintenance.
- Equalizes the cost of infrastructure based on property value. Cost of project raised property taxes about 1.4mil in Islesboro.
- Town holds all the risk on build costs.

(GWI, Axiom)





# CONNECTMAINE

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