

Contract & Bond for Broadband Improvement

Contract

- Town-wide fiber network built by CCI
 - Town will own the total infrastructure (“backbone”) – for which it is paying, with a minor contribution from CCI
 - Total cost for infrastructure is \$918,500 (fiber cable + network hardware)
 - \$896,375 from Harrisville (covers the un/underserved areas)
 - \$22,125 from CCI contribution (covers the served areas)
- Subscriber *FFTH (Fiber to the Home)* Connections
 - Residence connection from nearest “Splice Connectors” on the backbone
 - First ~150’ subscriber connection CCI will pay – but will be flexible on a case-by-case basis
 - Connection box, Modem, Router, WiFi (if desired) will be owned by CCI
- CCI will operate the network
 - No throttling or data caps
 - Subscriber rates:
 - 15Mbps \$62.95; 2yr promotion rate \$37.99
 - 50Mbps \$73.95; 2yr promotion rate \$48.99
 - 100Mbps \$85.95; 2yr promotion rate \$60.99
 - 1Gbps \$99.95; 2yr promotion rate \$79.99
 - Infrastructure Build Recovery Fee
 - \$10 per Subscriber-month

Bond

- Project Cost: \$1,596,375
 - Harrisville Bond: \$896,375 @ 3.0% for 20yrs. (correct contract amount, but example terms)
 - CCI contribution: \$700,000 (**by contract**)
- Bond Debt service = \$4,971 / month
- Infrastructure Build Recovery Fee used to pay town for infrastructure use
 - @ \$10/subscriber-month fee for CCI using Infrastructure (can't exceed **by contract**)
 - break-even is 500 subscribers
 - Current CCI subscriber base ~ 455
 - Potential for 965 subscribers
 - i.e. Takeup rate for break-even is $500/965 = 52\%$
- If payments to the town from subscriber fees are insufficient to cover the debt service, CCI has guaranteed the total debt service (**by contract**)
 - Has an incentive to build the subscriber base quickly