



April 23, 2015

Mayor Jeremy Farmer  
City of Lawrence  
6 E 6th St.  
Lawrence, KS 66046

CC: Leslie Soden, Matthew Herbert, Stewart Boley, Mike Amyx

Dear Mr. Mayor,

The fiber policy that the City of Lawrence has proposed for adoption will make it difficult or impossible to achieve universal high speed access in our community.

The policy encourages companies to connect only the richest customer, those who can pay hundreds or thousands of dollars for broadband access.

Should a provider actually build out any residential neighborhood, it will be the richest neighborhoods in our community. Low income neighborhoods will continue to have little or no choices for broadband access. The same is true for neighborhoods with high building costs (downtown) or low population density.

Since there is no build-out requirement in the proposed policy, providers are free to pick the lowest hanging fruit - large businesses and institutions, wealthy neighborhoods and public agencies - while leaving the rest of our community in the Internet stone age.

Worse, by encouraging providers to build hodgepodge connectivity for wealthy customers, we actually create a disincentive for a comprehensive solution. Given the choice of investing in a college community with only a cable provider, or investing in a community where several providers have already taken the most lucrative customers, where do you think a savvy company like Google is going to invest?

We are also giving away access to the rights of way. Franchise fees make up a significant percentage of our the City's annual budget. With land line phone service shrinking every year and television subscriptions moving to the Internet (where they are untaxed) this policy is setting up a situation where the City of Lawrence gets little or no franchise fees for use of the right of way. Remember: Internet service providers are exempted from franchise fees by federal law.

That means we will need to increase future property taxes or sales taxes to cover the revenue shortfalls.

If our city wants to achieve universal broadband access, we need a comprehensive strategy. The proposed middle mile policy is not a strategy, it is an attempt to look like we are doing something without actually addressing the problem.



The City's own consultant has made it clear that the only way private enterprise is going to solve this problem is if we grant a de-facto monopoly on service in selected neighborhoods. Private investors want exclusive access and "first mover" advantage so they can charge monopoly prices and build wherever is most lucrative.

If we had left construction of our electrical grid up to the free market, rural Douglas County would STILL be without electrical power. In the case of de-facto monopolies like power, water and fiber-optic broadband, the only way to ensure universal access, quality service and affordable prices is for government to play a role.

The past commission studied this issue for more than 2 years without fully understanding it. As a younger more technology savvy commission, you have the ability to better understand the issues and take comprehensive action to address a growing local problem. It effects education, quality of life and, importantly, economic development.

If fact, according to the Public Policy Institute of California, broadband access has an enormous impact on employment. It is now the 4th most important factor that businesses consider when re-locating (up from 11th last year).

This is important. Lets get it right.

The City's own consultant has highlighted Champaign-Urbana Illinois as a community where this comprehensive approach has been wildly successful. They have successfully implemented a non-profit system that provides fiber-optic connectivity for their entire community.

Before adopting a solution that creates a bunch of monopoly enclaves, limits customer choices and sets our community up for failure, lets take a look at successful communities (Stockholm, Longmont, Chattanooga, Lafayette). Lets convene a group of local experts and local stake holders to see if we can come up with a solution that meets everyone's needs. An open-access solution that promotes competition and keeps costs in check.

Mike Amyx stated at a public meeting that this was perhaps the most difficult and complicated issue he has ever dealt with in his more than 3 decades of public service. Before rushing to endorse the policies of the last commission, I encourage you to take some time, fully understand the issues and proceed with caution.

Sincerely,

Joshua Montgomery

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