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To Davis City Council,

In January 2015 a group of Davis Netizens came together with the goal of creating a community owned and operated fiber optic Internet network for many good reasons. In the excitement of new action to move the concept forward, very quickly, over a matter of months, they created a website, logo and outreach campaign. At that time, we were excited about the creation of a new telecommunications plant with community oversight, decoupling the physical cabling from Internet providers. We informally organized under the name "DavisGIG".

As long as one provider can use its ownership of the distribution equipment in any product, that provider has monopolistic pricing power. Installing a new equipment plant, owned by our community, that provides the same very high quality telecommunications cabling throughout the city will disrupt this economic dominance and pricing, and place the purchasing power back to the consumer. With new networking technologies like Network Function Virtualization (NFV), using a matured fiber optics marketplace, DavisGIG developed this approach to use telecommunications infrastructure to create a public asset for public good. Our plan can create an environment to spur business by allowing many Internet and other Managed Service providers and IT businesses shared access to the same fiber infrastructure with competitive, not monopolistic, growth opportunities. Residents will get the benefits of reduced rates, better service and more product choices, while the City will benefit from a long term asset and revenue source.

Members also expressed concern over the unique access and position that the dominant market players have over all data and information flowing through the commercially owned and operated telecommunications infrastructure. The expected lack of privacy with regard to one's communications and operations, with a premium fee placed on non monitored Internet Access, demonstrates that the private communications Internet Access customer, is also a monetized product. It shows to what length the incumbent carriers will go to mine revenue and new profit centers out of what is in essence a utility, and essential service everyone needs to operate in the 21st century. DavisGIG believed if a non profit network operator managed these resources, with stakeholder representation on its Board of Directors, and publicly transparent practices, then the public would be able to have integrity in the ownership of their private data, and the fair and smooth operation of their community-owned fiber network. Imagine customers being able to choose ISPs on a number of other market factors, like privacy, or Employee ownership, other than just capacity and price.

Since those initial meetings, we are grateful that the City Council and Staff made the decision to closely investigate our proposition, with its creation and support of the Broadband Advisory Task Force (BATF). That group took the final draft of a Feasibility Study RFP drafted by DavisGIG volunteers and used it as a seed for its successful process of soliciting proposals and working with a nationally recognized consultant for a Broadband Feasibility Study for Davis. We applaud the efforts and time devoted by Task Force members, who took on learning about everything this topic has to offer, wrestled with it, and effectively moved this project forward. CCG Consulting, DavisGIG's preferred choice as the consultant, has provided an excellent study closely examining the business case proposition of a municipally owned fiber

network. The BATF, BATF Leadership, and city staff have done an exemplary job reviewing the document and asking for appropriate clarification and restatement as needed on various topics in the Study Draft.

This study has a very narrow scope, a very conservative approach, and is a great document to support future efforts of the BATF to more thoroughly develop this project, by getting commitments from stakeholders, getting specific bids and costs, surveying residents, and working with apartment complex owners on access to their property for fiber connections. DavisGIG encourages the council to recognize this study for what it is, a very narrow business case study of if the City of Davis were to build a municipal fiber network, with Revenue Bond funding, would it be able to pay back the network based upon the anticipated take rate from residential and business parcels.

The study does not address in depth any of the following:

- General public good type benefits, lower broadband prices for residents, more choices for residents,
- Increased tax revenues as more businesses locate and stay in Davis because of the superior resource the network would provide
- Any wholesale revenues from leasing dark fiber to Cell operators or large electric utilities,
- Economic multipliers from the construction process, from the conduit to the home. Contractors installing cabling into a home, or upgrading wiring in an apartment building to get fiber type speeds. Landscaping companies putting in trenching to take the fiber from the street to the home.
- City of Davis Smart City type uses, electrical, water, surveillance, first responders, other telemetry

Reauthorizing the BATF to continue looking into these questions will help better define this opportunity, which many people think is a viable and important one for our communities' future. DavisGIG is comfortable with and appreciates the product of the study. We recognize that, because the study shows that an "Open Access" type network is not "viable" anywhere in the US, that there is an opportunity for Davis CA to be a leader in this municipal fiber network space that is sweeping the country. Leadership, being the first, where others have not tread; always means taking a risk, and having institutional courage, but to those that do innovate successfully in a new market, that leadership brings notoriety, or "fortune and glory." So we are encouraged, that the City can seize this opportunity with its partners, and make something great and NEW happen in Davis, CA. Full speed ahead!

Finally, throughout this process, DavisGIG has learned of ancillary, yet important things this network will bring to the community:

- Gigabit only Grant and Development Opportunities - Mozilla Gigabit Community Fund, US Ignite, Smart City Challenge, and others. Could be pursued not only by City of Davis, but also UCD, DJUSD, DMA, DCN, get access to these opportunities.
- Foster and promote a new ecosystem of Internet Service based companies, selling security, backup,

home automation management, IPTV, gaming.

- Full interaction in uncompressed high definition video interactions with City Staff, or University Staff, or Hospital Staff and Davis residents.
- Enhanced appeal of Davis as a tech business relocation site due to the ubiquitous availability of high-speed connectivity for both business sites and employee homes.
- We are redirecting our money away from large incumbent carriers and back into our community. Many people have \$100-\$200 monthly broadband bills that are paid to far off companies and investors that support the poor practices of these companies. Redirecting even a portion of that back into Davis is good business.
- In the City of Ft Collins, Colo voters approved a utility tax upon themselves to fund a full municipal fiber project in the face of stiff opposition and expenditure from incumbent carriers. City of San Francisco is pursuing a similar path to that advocated by DavisGIG, a community owned fiber network that will provide access for multiple ISPs to sell services.
- Many new Over the Top (OTT) IP TV programming services have appeared over the last 3 years, more people are going to “Cut the Cable” than ever before, High Capacity, low latency community fiber will very favorably complement this development. Higher resolutions provided by 4k and 8k screens, and VR goggles, will accelerate it.
- This municipal fiber space is full of investment and opportunities. There are many large companies that would come in to run this themselves, but the community would not get the direct benefits a DavisGIG. IT does demonstrate however, that this is not some outlandish untested idea, many businesses and communities take it very seriously.

DavisGIG wishes to thank everyone in this process that is in its 3rd year. The many people that have taken the time and effort to participate in surveys, or forward their internet bills. The many volunteer hours supporting the project, the residents taking signs, and advocating for something better than the status quo. The leadership of the BATF chairs, the steady and thorough participation of City Staff BATF reps, and the City Council for authorizing funds to make a community owned fiber optic telecommunications a reality for Davis.

Yours in Appreciation,
Davis GIG Committee