

FREQUENTLY ASKED QUESTIONS

General Questions:

1. What is LightHub Fiber?

LightHub Fiber is the name American Fork City is giving the fiber infrastructure they are considering putting into every home and business. This fiber infrastructure will be a utility, such as water or roads. While the City will only provide the infrastructure, it also will ensure that through private internet service providers free basic internet will be included as part of the utility.

Our fiber network will be an “open access network,” meaning internet service providers (like American Fiber (AF) Connect, CenturyLink, or many others) will be able to use our fiber infrastructure to provide their services to you.

Other City services such as water metering or emergency services will be made possible with the installation of this infrastructure which are necessary for the City to be more efficient in today’s modern society.

2. How far along is the City at in this process?

The City is still in the exploration phase of this process, meaning the City Council has not approved any financial or infrastructure commitments. As this is still in the information phase the City felt it would be easier to centralize the concept and information under one name (LightHub Fiber) and website (LightHubFiber.com).

3. Why is American Fork City considering this?

Broadband connectivity is now considered a basic need for every residence and business in our community. Just as electricity is the utility that powers millions of innovations, so too fiber will be the base utility that will allow for future technological breakthroughs to occur. Fiber is for us today what electricity was to America in the early 20th century. And with the municipal owned LightHub Fiber network, all of American Fork will benefit. This project will provide broadband access for the city’s utilities and services, it will pave a way to pay off outstanding balances in the broadband fund, It gives every resident access to fast, reliable internet, and it will make American Fork more attractive to future residents and businesses.

4. Didn't the City try this before? Why will this be different?

This is different than what American Fork City has previously done. Let's first look at what was done and what we are proposing.

In 2002, American Fork purchased a basic coax-fiber system with the intent to be a municipal internet service provider for the community, similar to what Spanish Fork currently does. Unfortunately, in the process Utah State legislature changed its laws, preventing City's that hadn't already started from retailing internet service. This left American Fork with a system it could not use. American Fork City eventually decided to sell the system at a fraction of the cost to another company, American Fiber Connect, or "AF" Connect. This left the City with a negative fund balance that still exists today.

With LightHub, American Fork is planning to install a much better system that will benefit both the residents and the City. The City will install the infrastructure but will not act as an internet service provider. The system will be funded through a utility fee and provide an open access system available for all service providers to use. This revenue will fund the installation, ongoing maintenance, and retire the existing debt from the previous system.

The proposed system is not just about the internet, instead it is about having a totally connected community which will allow for the advancement of the "internet of things." Further, it will provide additional opportunities for the development of economic advancement.

5. How does this system work?

The City would run fiber optic cables down the streets to every house, including running the lateral lines into your home. Once your phase is done and turned on, you will start getting guaranteed access to the internet. If you want increased bandwidth or a different package than the base service, you will be able to contract with a preferred internet service provider (ISP) and select a plan that meets your needs. The whole system is expected to take three years or less to install, with sections being turned on in phases along the way.

6. Is the City going to be an internet service provider (ISP)?

No. We are only going to install the infrastructure (fiber) that existing or new internet service providers can use. This should expand the number of ISP options residents have from one or two in some parts of town, to ten or more. This should make things more competitive and hopefully residents will benefit.

7. If the City isn't going to be an ISP then who will be giving us the guaranteed minimum internet?

In addition to paying for the infrastructure and maintenance, the utility fee also allows the City to contract with a company that will provide basic internet service for every home and business. Residents can choose to use a different ISP, or choose to pay for more bandwidth or services from their ISP, but regardless of their desired services they will still pay the basic utility fee assessed to every home.

8. Will the City make a profit?

The goal of LightHub Fiber is not to profit but to provide essential services and pay off debt associated with the previous internet system and installing this new one. Once the debt is paid off the City will reevaluate the financial needs of the community.

9. How does the City know that the information upon which the decision is being based is accurate?

The City is utilizing Fiber Optic technical experts that have been successful in many of the nation's most successful deployments. They are working independent from one another to cross check in order to have reliability and sustainability. In addition, the city has formed a technical advisory committee consisting of tech-savvy community members without a stake LightHub Fiber beyond that of a regular resident. They have also reviewed the proposed project.

10. Has the City vetted all options?

Yes. The City has exhausted all available options which included doing nothing, selling off its present assets to be left with just the debt, and various other network deployment options. The present proposal was not only seen as the most viable pathway forward.

11. Who will be building the network?

The actual physical build of the network will be accomplished by fiber optic construction experts that will be secured through a competitive RFP process.

12. Is it legal?

Yes. The proposed fiber optic network complies with all Municipal and State statutes.

13. How will the system be managed on a go forward basis?

The City will contract with various entities to manage the system. These groups will be selected due to their expertise and core competencies to run a carrier class network in a financially efficient manner.

14. Has the model been tried elsewhere?

There are presently many examples of successful municipal fiber optic deployments. The AF model is the next step of the evolution of successful municipal networks. We are no longer in the pioneering days of fiber optic deployment. Therefore, the model proposed in American Fork uses current best practices from successful models to ensure the network will implement all lessons from the past.

15. What are some examples of successful networks?

Ammon, ID; Powell, WY; Chattanooga, TN; Cleveland, OH; and Sandy, OR are just a few.

16. Are there other more pressing needs the City should take care of before deploying a fiber optic network?

There are certainly several pressing needs in the City. However, this project is modeled to be self-sustaining and financially independent of the other needs in the city. The deployment of the fiber optic system will assist with many of the needs that the City currently has, such as: retiring bad debt, encouraging economic development, parks and recreation, facilitating water metering, and other City functionalities.

17. How will putting in fiber infrastructure make ISPs who are already there more competitive?

In many parts of American Fork, residents only have access to one or two internet service providers. By laying the fiber network ourselves and allowing any ISP to use it, American Fork City creates an open access network that gives every resident or business access to every ISP wanting to provide service. More ISPs means more competition which hopefully leads to more competitive prices and increased connectivity and internet speeds.

Additionally, the City expects many ISPs will find value using newer lines that they don't have to manage and will want to make the switch eventually, even if they already have lines in place.

Financial Questions:

1. What is this going to cost (me)?

The LightHub Fiber system is estimated to cost between \$25 - \$30 million to build. The cost includes: end to end construction, construction management of the network, retiring \$2.6 million of the City's debt, and enabling the fiber optic network to be self-sufficient going forward.

Because this would be a utility, residents would start seeing a monthly utility fee in their bill, as soon as the infrastructure is made available to the citizens. At this time the estimated monthly fee is \$9.95.

2. Will there ever be a fee increase?

We are anticipating that the construction, refreshing and ongoing requirements to run the network in the proposed fee structure will cover the cost. However, as with any project, increased costs or unanticipated modifications to the system may result in changes to the fee structure.

3. How do we know that the internet retail prices will not increase over time creating a deficit?

Since the advent of the internet, price elasticity has remained steady or grown as cost and bandwidth consumption continues to grow exponentially. Historically, even when prices have remained substantially the same, significantly more bandwidth has been provided.

4. What will I get for my utility fee?

The base utility fee will guarantee every home or business a basic level of internet; about enough speed to look things up on the internet or check email. All residents and businesses will also have the option to pay for faster speeds through their internet service provider, just as they do now. But everyone will pay the basic utility fee, regardless if they choose to also pay for faster service or not.

5. What if I can't afford this?

We are working to make sure the utility fee is as low as possible and feel it will be something most everyone can afford. But in special cases the City will allow residents to apply for a discounted rate based on very specific criteria.

Technological Questions:

1. Will this system be outdated in a year or two when new technology, like 5G, comes?

Fiber is today what electricity was at the turn of the twentieth century; the foundation for other innovations to draw from. Fiber optics were first installed in the late 1970's and are still in use today. Fiber optics can today, replicate the entire wireless spectrum more than 1,000 times over and the total capacity is not yet known. Whether it's 4G, 5G, 16G or any other technology, fiber is the infrastructure required for them all. Having this fiber infrastructure will help American Fork be prepared when those new technologies, like 5G, come. Additionally, the City doesn't plan to install and walk away. The City will be maintaining and replacing lines and components as needed to keep the system top of the line and up to date.

2. How is fiber a utility like water, sewer, roads, or power?

It is critical infrastructure in the 21st Century. Just as electricity was fundamental in the 20th century, so is fiber deployment essential for a 21st century connected economy and community.

3. Do I really need a gigabit?

While it is true that today most consumers do not require a gigabit connection, bandwidth needs has only increased since the advent of internet in the 80's. Current trends show that the average home will require gigabit speeds by the year 2030. Many will want it a lot sooner than that. Fast and expansive networks require fiber optics and fiber optic deployments will enable quality of life opportunities, business economic development, healthcare advancements, and improved educational opportunities.

4. Can you really guarantee a gigabit of speed?

With fiber to every home, the LightHub Fiber system will allow for a gigabit of speed in every home. What you actually receive will be based upon the level of service you sign up for and what your own internal hardware will accommodate.

5. Don't we have sufficient bandwidth now?

As was indicated in the survey from the City, over 88% of the citizens surveyed are requesting that the City help bring better quality and faster Internet speeds to the City. That response indicates that current needs are not being meet.

Effects on the Community:

1. What are the benefits?

There are basically four groups of people that will benefit. 1) Our citizens that do not select to upgrade will benefit because other providers will have more competitive pricing in American Fork; 2) Citizens that do not require very much bandwidth but are already paying in excess of \$30 for Internet access will benefit because they will only pay the utility fee; 3) High bandwidth consumers will benefit because they will now have a choice between many Internet service providers, all of whom will be able to provide extremely fast and more significant service for a better price; and 4) The business community will benefit by experiencing competitive free market Internet providers with competitive offers and better service levels.

The proposed fiber optic network and the associated business models will enable every citizen to benefit financially from its deployment by realizing enhanced competition and saving money from respective broadband budgets. In addition, every citizen will experience, quality-of-life advancements in education, economic advancements, healthcare and City services.

2. Does this mean the City will tear up the streets again to put in Fiber?

In some areas of the city yes, but let's put that into perspective. The City is at the beginning of its 10-year road repair plan so there will not be a lot of brand-new roads that will be cut into. The entire fiber installation will go relatively quickly, less than three years, and will happen in conjunction with the road plan. The City will follow most current power lines, which for some parts of town are not in the ground but on power poles. The sooner this is done the less of an impact it will have on the roads.

Because fiber is essential for every home, the City wants to do it sooner rather than later to avoid more costs and more road cuts in the future. Additionally, putting in a system that most ISPs can use, will eliminate these same ISP's from cutting the roads in the future for their own use.

3. How long will it take to build? What's the timeline?

Once financing is achieved, the construction of the network will take less than three years from beginning to end.

4. Will this be on the upcoming ballot?

Because the fiber infrastructure will be supported by a utility fee, rather than general taxes, it will not be funded using a General Obligation (G.O.) Bond, which is what needs to be approved by residents through a ballot. Rather this will be a utility revenue bond, which is voted on directly by city council. AF City Council wants to reaffirm they are taking this issue very seriously and will only vote after weighing the data and collecting all the feedback from the community they can.

5. What happens to citizens already committed to other ISP provider contracts?

The great thing about the network is that, if it is better for them, they can stick with their contracts. They still benefit because the competitive nature of the network will induce better pricing with their existing service.

6. Will the City be able to run the network with the current staff?

It is not anticipated that the City will immediately increase its FTE's. However, additional manpower will be needed as the system expands. Any necessary services may either be contracted or provided in house and will be paid for by the enterprise itself.

7. What will happen to AF Connect?

American Fiber (AF)Connect is a private entity. They may remain in business without interference and their network will continue as it exists today. Like all ISPs, American Fiber will have the ability to use the new LightHub Fiber network, should they choose to.

8. Will the City need to run a line into my home?

Yes, the City will create a contract with someone to put in fiber.

9. What if I don't want to participate in this? Can I opt-out?

To install the system the City (specifically the installation company we contract with) will need to run network lines into your house, which would require your permission to do so. If you do not want the line brought to your home, then the City will just stub the line up to, but not into, your property and terminate in the public utility easement near your sidewalk. However, you will still be obligated to pay the utility fee, even if you choose not to take advantage of the utility.

10. What happens if I opt out but later want to get it?

You will have to pay a connection fee.

11. Can my HOA stop delivery to my home?

The contracts with HOA's may pre-exist and will require consideration on a one on one basis. Simply put there is no one-size fits all when it comes to a home owners association.

12. Where can I learn more?

LightHubFiber.com