

MARIN GENERAL SERVICES AUTHORITY

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MEMORANDUM

DATE: February 21, 2006
TO: Joint Services Authority Oversight Committee
FROM: Martin J. Nichols, Executive Officer
SUBJECT: Wireless Internet Services and Next G Proposal

Wireless Internet Services

The Marin General Services Authority owns the street lights in Marin County as one of its duties. There appears to be multiple vendors interested in utilizing our streetlights to offer wireless internet services to Marin residents. The Agency's objective is to get the best deal possible for Marin, if we choose to lease access to our light poles.

Currently there are two major vendors of wired broadband services: Comcast and ATT/SBC. Wireless technology is generally limited to cellular phones and PDA's. Wireless technology has evolved to where it can provide broadband speeds comparable to wired networks. It has the advantage of being able to provide more universal service (and mobile data) at a lower capital cost than wired networks.

The MGSA believes that to obtain the "best deal" for Marin, we should develop and issue a Request for Proposal to the entire wireless market. The Agency is considering hiring a consultant to:

- a) Assess community needs and potential public agency uses of a wireless network.
- b) Determine the operational relationship between a potential new wireless network and the current MERA and MIDAS networks.
- c) Assist the MGSA Board in determining community goals for a wireless network.
- d) Prepare and issue a wireless RFP that asks potential vendors to meet our established community objectives.
- e) Evaluate responses.
- f) Negotiate an agreement with the selected vendor.
- g) Provide project oversight during network deployment.

Policy Issue

Do we want to create a public-private partnership that uses our public assets to facilitate wireless internet services in Marin?

Pros:

1. More competition and possibly lower broadband costs for residents.
2. Public benefits from a partnership (revenues and services).
3. More universal broadband service.
4. Economic development potential.

Cons:

1. Visual impacts of wireless devices (the selected vendor(s) would have to obtain encroachment permits from member agencies).
2. Health concerns about wireless technology.
3. Objections from cable and telephone companies.

The Agency believes it should first complete the needs assessment and then discuss potential benefits with member agencies and the Joint Services Authority Oversight Committee before proceeding to prepare and issue a wireless RFP.

Next G Proposal

NextG Networks wishes to enter into a Pole Attachment Agreement with the MGSA to deploy their network first in Tiburon, Sausalito, San Rafael and County territory around these areas and then elsewhere in Marin.

NextG provides wireless connections to fiber networks for wireless companies in areas where traditional cellular communications are not workable. They do not provide direct services to cell or PDA subscribers. The wireless transmitters/Receivers would be on our streetlights connected to fiber networks on utility poles or underground. They expect to utilize up to three streetlight installations per square mile (between 50 and 100 poles over the next three years).

They are a common carrier under the Federal Telecommunications Act and have obtained a certificate of public commerce and necessity from the California Public Utilities Commission as a "Certified Local Exchange Carrier."

They are offering to the MGSA:

- \$500 per pole per year
- 5 percent "franchise fee"
- Use of their fiber network to our member agencies

Annual MGSA Revenues

- | | |
|------------------------------|----------|
| • Poles @ 100 poles at \$500 | \$50,000 |
| • Franchise Fees | \$30,000 |

They understand that they will have to obtain an encroachment permit from each agency and make arrangements with PG&E for power.

3.

Pros:

1. Revenue for MGSA
2. Better cell coverage in Marin

Cons:

1. Visual impacts
2. Low revenues
3. Wait for wireless RFP responses.

c. MGSA Board of Directors