



INTERNAL MEMORANDUM

DATE: March 6, 2009

TO: Fiber Steering Committee: Carol Duff, Ralph Rauterkus, Kay Kuhlmann, Marshall Hallock, Deanna Sheely, Rick Moskwa, Laura Blair

FROM: Laura Blair, Information Technology Director

RE: Fiber Optic RFP and next steps

If the City of Red Wing is to apply for funding from The American Recovery and Reinvestment Act of 2009 we need to have our application submitted by May 1, 2009. Although we have asked for funding from City Council for permission to move forward with a financial business plan, we are putting that on hold for now due to the urgency around the stimulus funding.

The two agencies responsible for allocating funds are:

- National Telecommunications and Information Administration (NTIA)
- Rural Utilities Service (RUS).

(NTIA) the purpose of the grants is to foster broadband service to unserved areas and underserved areas, as well as to promote various broadband objectives in schools, libraries, health-care providers, and other entities. The legislation does not define "unserved" and "underserved," areas, but instead says the NTIA can consult with the states in order to identify unserved and underserved areas, and shall if practical award at least one grant per state. The program is to be developed as fast as practicable, with all grants to be awarded by Sept. 30, 2010.

(RUS) focus on rural areas, with at least 75% of an area targeted for funding to be in a "rural area without sufficient access to high speed broadband service to facilitate rural economic development, as determined by the Secretary of Agriculture."

Next Steps

The next step is to engage our current service providers and other interested parties in discussion on possible partnerships, instead of pursuing a financial business plan. The discussion is a means of exploring the scenario whereby the city would build the infrastructure and contract with an outside party(s) to provide services. The City would send out a Request for Proposal (RFP) process outlining the core services the City expect to be provided the by the infrastructure constructed. Any interested party would be asked to attend a meeting with the Fiber Steering Committee to explore a possible partnership. The timeframe for this is the first week of April.

Proposed Timeline

Friday, March 13, 2009 – Publish RFP

Friday, March 27, 2009 – Deadline for responses of RFP

March & April – prepare master document in preparation for stimulus application

April (2 and 3) or (7 and 8), 2009 – interview providers

April 13, 2009 – report to council

May 1, 2009 – submit application for stimulus funds with a private partner identified

Stimulus – What we know to date

- A. There is a great deal of urgency. The money will be awarded to first-responders with qualified projects.
- B. There is no review and approval process in place – no details.
- C. Municipalities are being told to figure out quickly what they want to do and be creative. This eludes to public/private partnerships, service offerings....things like telecommuting, telemedicine
- D. The up-front work that we have done in Red Wing counts. The money we have already spent will likely count. In our application we will highlight the volunteer time, staff time and the numerous taskforce meetings and events that we have held locally. We will quantify what we have paid consultants.
- E. They look favorably at a commitment of 20% (especially for grant funding), but that doesn't necessarily mean cash. It could be a bond issue.

- F. We need to demonstrate that we are committed and have the local share of funding.
 - a. I.E. the city commits to building that initial fiber loop
- G. Line up your backers on Capitol Hill – make contact and lobby, lobby, lobby. Congress wants to see us talking about jobs, the environment, education, health care and serving the unserved and underserved.
- H. Don't expect normal procedures. If we are turned down there will likely be no opportunity to re-do the application and re-apply. We'll need to put our best foot forward.
- I. If you can submit an application for grant or loan funds with the private partner already identified the application is likely to get more consideration for funding.