

From: [April White](#)
To: [BOCrfc2015](#)
Cc: [Jeana Woods](#)
Subject: Broadband Comment
Date: Tuesday, June 09, 2015 7:30:11 PM
Attachments: [Broadband Expansion.pdf](#)

Broadband Opportunity Council,

Please take into consideration the comments on the attached letter regarding broadband expansion from Osage Beach City Administrator Jeana Woods.

Thank you,

April White

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June 8, 2015

National Telecommunications and Information Administration
U.S. Department of Commerce
1401 Constitution Avenue NW, Room 4626
Attn: Broadband Opportunity Council
Washington, DC 20230

Re: Request for Comment- Broadband Expansion

To Whom It May Concern,

Thanks to the State of Missouri's recent effort to study and expand broadband adoption, *MOBroadbandNow*, the Lake of the Ozarks region has a stable understanding of the challenges faced by local residents wanting to adopt broadband in their home or business. Central Missouri is reasonably well served by the 'middle mile' provider. The region's major challenges lie in affordably connecting neighborhoods to existing 'middle mile' backbone. Future executive action should engage directly with neighborhoods and 'last mile' providers to overcome the high costs of equipment and the high cost of 'middle mile' backbone access.

While Broadband access is a complex issue, costs associated with 'last mile' service continually come up in community conversations. An example of these costs, found in the Lake of the Ozarks Council of Local Governments' (LOCLG) *MOBroadbandNow* plan, is contained below. Rural broadband can be cost prohibitive even with a 'middle mile' fiber backbone located at the entrance of a rural neighborhood. The equipment costs and high costs of long-term contracts for middle mile internet service prevented a community of 20 homes from gaining access to broadband internet. The owners of the local internet service provider shared their story below.

"...Expanding the overall customer base and coverage within our region is our long-term goal at Lexasar Solutions, but the high cost of equipment/infrastructure and ongoing internet connection fees often times create an impasse in which it is not a wise business decision to expand into a particular region or neighborhood.

In a recent scenario where a community in Eldon, MO wanted to have better access to Broadband LOCLG engaged Lexasar Solutions to see how we could help this community become connected at an affordable rate. This community has a total of 20 homes and is close to the City of Eldon. Sho-me technologies' fiber sits at the end of their subdivision. With the middle mile access close and the community willing, we explored several avenues in which to provide this community with broadband access. Lexasar Solutions provided options, but the cost of the infrastructure was prohibitive. The community as a whole has no way to finance the

installation of the infrastructure, so there is no way for this community to gain access to Broadband.

- *Estimated cost for equipment \$29,317.00*
- *Estimated cost for internet connection with Sho-me Technologies providing 20 meg service \$980.00 per month with a three-year contract*

As you can see in this example, the cost of the internet connection alone shared among these 20 homes would be \$49.00 per month. This does not include the cost of the equipment. If the time frame to recoup the equipment cost where the same three-year period the cost of the equipment per month would be \$40.72 per month. This would be a total of \$89.72 per month per household. This is based on all 20 homes participating. In this scenario, the subscriber would also be required to purchase the receiving antenna at a cost of \$250.00 per unit at the time of installation. The frustrations continue to mount as community after community desire internet access but the last mile providers have no way to fund the last mile infrastructure needed to make the final connection".

*Lexsar Solutions
16976 N. Hwy 5
Sunrise Beach, MO 65079
Jim & Pam Petropoulos, Owners*

As this example shows, there is a need to find an infrastructure financing mechanism for interested and willing rural communities. Future funding opportunities should incorporate a mechanism for rural subdivisions to apply for infrastructure funding and include adequate time to organize the community. Future funding should also include opportunities for rural jurisdictions to partner with local service providers to reduce the costs associated with 'middle mile' contracts. Partnerships of this type would increase the certainty of demand for 'middle mile' providers, thereby reducing costs for local service providers.

Currently, grant funding for infrastructure is only available where there is *no* service available. However, cell phone LTE service and satellite service is considered coverage in an area. While this may be technically covered, it is neither an affordable option nor adequate coverage for many households within our rural communities.

As we try to bring Broadband to rural Missouri, the discussion needs to include: (1) redefining internet coverage, (2) affordable service, and (3) what is considered high speed internet today. Using the terms and guidelines currently in place is not solving the problems that we continue to face in rural areas that want Broadband but have no clear way to secure the desperately needed infrastructure to increase the access to Broadband in these rural communities.

The City of Osage Beach, in conjunction with the LOCLG Economic Development Advisory Committee, thanks the Broadband Opportunity Council for the occasion to comment on an issue that is so important to the Lake of the Ozarks region. The future of this region is dependent on the continued expansion of broadband access.

Respectfully,



Jeana L. Woods, CPA
City of Osage Beach City Administrator
LOCLG Economic Development Advisory Committee Member