



AT&T's Response to the City of Lawrence, KS
Request for Information regarding possible partnership with the City of Lawrence for
private deployment of fiber to the home for Lawrence residents and businesses





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March 12, 2014

Diane Stoddard
Assistant City Manager, City of Lawrence
6 East 6th Street
Lawrence, KS 66044

Dear Ms. Stoddard,

The City of Lawrence, KS has much to be proud of:

- Named one of the 25 “Best Places to Retire” by Money Magazine – 2012
- Named a “Best Small Place for Business and Careers” by Forbes – 2013
- Named “Smart City” by Lumosity.com – 2013
- Named one of the “Best College Towns in America” by American Institute for Economic Research- 2013

Lawrence possesses all of the aspects of a friendly, active and culturally diverse community. With the perfect combination of small-town hospitality and big-city attractions, Lawrence offers a rich and fascinating history, a wide range of exciting cultural experiences, nationally recognized educational institutions, and some of the most unique and enjoyable shopping opportunities in the Midwest.

AT&T understands that the primary goals of the City of Lawrence’s Request for Information regarding a possible arrangement with the City of Lawrence for private deployment of fiber-based to the home for Lawrence residents and businesses are to:

- enhance the availability of high speed internet services for residents and businesses
- increase the competition amongst providers for these services in Lawrence
- promote local economic development by providing the infrastructure necessary to compete in an increasingly global economy

At AT&T, we understand and share these goals. As a service provider in the Lawrence community for more than 100 years, AT&T is invested in Lawrence and is proud to provide the advanced telecommunications networks that Lawrence residents and businesses use to stay connected in today’s digital world.

Our investment efforts have focused on expanding broadband coverage and enhancing speeds, reliability and performance for our customers. In 2013 alone, we made more than 520 network upgrades in Kansas, including new cell sites, the addition of wireless and wired network capacity, and new broadband network connections.

In Lawrence, these upgrades include:

- deploying and expanding our award-winning U-verse TV, broadband and voice service
- launching and expanding AT&T's 4G LTE mobile internet service
- a multi-year, multi-million dollar installation of several new 4G LTE-capable Distributed Antenna Systems (DAS) on the University of Kansas Lawrence campus
- opening a new AT&T retail store at 33rd and Iowa streets

As a company, AT&T plans to build on this investment and bring broadband to even more consumers and businesses in 2014 and beyond.

AT&T is pleased to share information regarding the possible deployment and operation of an all fiber-based, gigabit-capable network within the City of Lawrence. Please note that information provided in the attached document is a response to a request for information and not a proposal to provide service. Notably, the deployment AT&T describes would be funded using private investment. That is, AT&T would bear the costs for the deployment of the network, including design, engineering, construction, equipment, and insurance.

Everywhere AT&T does business, we try to participate in activities to make our communities better places to live, work and grow. We strengthen our communities by providing good jobs, donating our time and talents, supporting local non-profit organizations and promoting educational programs that create economic opportunity.

AT&T is proud of our commitment to Lawrence and we look forward to working with the City to create modern broadband solutions that promote local economic development and provide the infrastructure necessary to compete in an increasingly global economy.

Sincerely,

Torri Spiegelhalter
Senior Account Manager

Rethink Possible

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Proposal Validity Period—The information and pricing contained in this proposal is valid for a period of ninety (90) days from the date written on the proposal cover page unless rescinded or extended in writing by AT&T. **Terms and Conditions**—This proposal is conditioned upon negotiation and execution by the parties of a written agreement containing mutually acceptable terms and conditions. **Proposal Pricing**—Pricing proposed herein is based upon the specific product/service mix and locations outlined in this proposal, and is subject to the standard terms and conditions of AT&T unless otherwise stated herein. Any changes or variations in AT&T standard terms and conditions and the products, length of term, services, locations, and/or design described herein may result in different pricing. **Providers of Service**—Subsidiaries and affiliates of AT&T Inc. provide products and services under the AT&T brand. Where required, an AT&T Affiliate authorized by the appropriate regulatory authority will be the service provider. **Copyright Notice and Statement of Confidentiality**—© 2013 AT&T Intellectual Property. All rights reserved. AT&T, the AT&T logo, and all other AT&T marks contained herein are trademarks of AT&T Intellectual Property and/or AT&T affiliated companies. All other marks contained herein are the property of their respective owners. The contents of this document are unpublished, proprietary, and confidential and may not be copied, disclosed, or used, in whole or in part, without the express written permission of AT&T Intellectual Property or affiliated companies, except to the extent required by law and insofar as is reasonably necessary in order to review and evaluate the information contained herein.

Notwithstanding anything contained in this RFI to the contrary, AT&T Corp, on behalf of itself and its service-providing affiliates, (hereinafter “AT&T”) submits this RFI response (the “Response” or “Proposal Response”) subject to the provisions of any mutually agreed to associated service specific documents and not pursuant to the terms and conditions contained within or referenced to in this RFI document. Neither party is under any obligation to the other with respect to this RFI until the parties have agreed upon terms and conditions related to the delivery of any services referenced in this RFI.

Any terms and conditions contained or referenced within this RFI document may not contain the product and service-related contractual terms necessary for AT&T to properly deliver the products and services referenced in the Response. In that light, AT&T submits this RFI response with the understanding that AT&T is expressing interest in further discussions with the City, research and consideration to deliver services referenced herein and does not constitute a commitment to enter into an agreement with the City at the time of delivery of this proposal.

1. **SUMMARY:** The City of Lawrence (“the City”) has expressed an interest in fostering innovation, driving job creation, stimulating economic growth, and serving new areas of development in the community through improvements to essential infrastructure and services within their boundaries. The City leaders recognize that improved access to high-speed broadband would provide substantial value to their citizens. AT&T has announced its intent to build and operate fiber networks in cities in the United States that provide terms and conditions that make it feasible and attractive for it to invest and where there is strong consumer and business demand. Based on the multiple factors considered by AT&T, including the goals identified by the City, AT&T is pleased to share information regarding the possible design, construction, and deployment of a fiber-based network (“Network”) capable of delivering speeds up to 1 Gbps within the geographic boundaries of the city limits of Lawrence (“Market Area”). AT&T would use the Network for commercial purposes to sell and provide various broadband, video, and voice services to residents and businesses within the Market Area. Please note that this is a response to a request for information and not a proposal to provide service.

2. **SERVICES:** If AT&T makes such a decision to deploy the Network to locations the Market Area, AT&T would deploy and operate a fiber-based, gigabit-capable network to provide High Speed Internet Access, TV, and VoIP services for residential and business customers. AT&T would provide wireline High Speed Internet Access (HSIA) with symmetrical speeds up to 1 Gbps to locations in the Market Area where AT&T decides to deploy the Network (“Service Area”). This architecture would provide access to a variety of service offerings, which may include bundles with our award winning AT&T U-verse® television service and U-verse Voice, (a VoIP or Voice over Internet Protocol service). Business services provided could include switched Ethernet and network VPNs. AT&T’s delivery of services delivered via the Network (“Services”) would be subject to AT&T’s customary terms and conditions for the specific services.

3. **EXPERIENCE:** For more than a century, AT&T has consistently provided innovative, reliable, high-quality products and services, and excellent customer service. AT&T has industry leading scale in broadband internet, TV, and voice services and a trusted name in communications and entertainment services around the globe. Our mission is to connect people with their world, everywhere they live and work, and do it better than anyone else. We are fulfilling this vision by creating new solutions for consumers and businesses and by driving innovation in the communications and entertainment industry. Our network includes extensive wireless and wired access capabilities, as well as one of the world’s most advanced and powerful IP backbones.

AT&T is well positioned to bring a fiber-based gigabit network to the citizens of Lawrence. AT&T has deployed Fiber-to-the-Premises (FTTP) to hundreds of thousands of customer locations and operates one of largest Tier 1 Internet backbones globally.

Critically, AT&T also has significant operating scale in providing broadband, TV, and voice services. This operating scale provides the foundation for future investment in our services platforms that would benefit all of AT&T's customers, including those in Lawrence.

In addition to day-to-day customer service, AT&T is prepared and has a proven track record of service restoration that may be required from time to time due to storm damage.

4. TECHNOLOGICAL APPROACH: With the Network deployed, AT&T could provide wireline High Speed Internet Access with symmetrical speeds up to 1 Gbps via an FTTP or FTTB serving architecture in Service Areas. This architecture would provide access to a variety of service offerings and bundles, which may include our award winning U-verse television service and Voice services.

At a high level, there are three customer location types with potential serving architectures and business models appropriate for each:

- **Single family residential** – The desired serving arrangement is Fiber-To-The-Premise (FTTP), where customer demand is expected to compensate for the cost to deploy and operate the network. Deployment would be guided by anticipated customer demand for very high speed broadband and the cost of deploying in each neighborhood, aided by efficient network deployment. In addition to market research, a customer pre-registration process would provide an early indication where the demand is sufficient to cover the estimated investment required.
- **Residential MDUs** – The most appropriate commercial offers to serve MDUs are subject to building wiring, forecasted penetration, and churn, among other factors affecting customer experience. The service coverage of MDUs will depend on the ability to agree to terms with the MDU property owners.

MDUs require several serving architectures in order to effectively serve. In properties not yet built, fiber to each living unit may offer the most cost-efficient deployment. Fiber can be placed during construction at relatively low cost, with minimal aesthetic impact or disruption to tenants.

In existing MDU properties, it may be practical under certain conditions to pull fiber to each unit, but using fiber-to-the-building (FTTB) that relies on existing copper inside (the building) wiring likely is the more practical solution. If the wiring is category 5 (or better) cabling, Ethernet from a central point in the building may be practical. Otherwise, VDSL (using 17MHz and vectoring, and soon G.FAST) likely could be used to provide higher customer broadband speeds.

- **Businesses** – Serving some business locations with a fiber-based gigabit network would likely be part of a FTTP deployment described above for residential areas; businesses are often part of neighborhoods that would meet a deployment threshold. But serving additional business customers would likely require deploying a Fiber-to-the-Building (FTTB) architecture. Areas where multiple businesses are located, e.g., multi-tenant office buildings, could be served by cost sharing the special construction to bring fiber into the building. As outlined elsewhere, the City could facilitate the discussions with landlords about the program and the required Point of Entry for building access, and provide expedited responses to permit requests, which could help speed deployment to businesses.

A description of the network practices and performance characteristics that that would likely apply for the up to 1 Gbps High Speed Internet Access service AT&T could deploy in the Services Area is provided at www.att.com/broadbandinfo.

5. PRICING: Gigabit fiber networks of the sort described in this document require large upfront investments to engineer and construct. AT&T's experience from deployment of similar networks suggests that attractive pricing is critical to a successful program.

If AT&T were to deploy the Network in the Service Areas, AT&T would offer a range of competitive prices for stand-alone products and bundles of HSIA service with TV, home phone (provided over the fiber-based network), and cellular service for residential and business users. AT&T often offers discounted pricing for bundled services, providing customers with lower price points and more convenience. In addition, AT&T could introduce promotional prices from time to time to achieve customer adoption, which AT&T's experience indicates can also raise awareness and further stimulate demand.

6. TIMELINE: AT&T's existing assets and operations in the Market Area would help AT&T accelerate the deployment of the Network. AT&T has extensive broadband and TV infrastructure currently serving the Lawrence, including a video hub office and content agreements with national and local TV networks. We expect the timeframe for initial customer installations could be as short as one year from the date of final agreement with City.

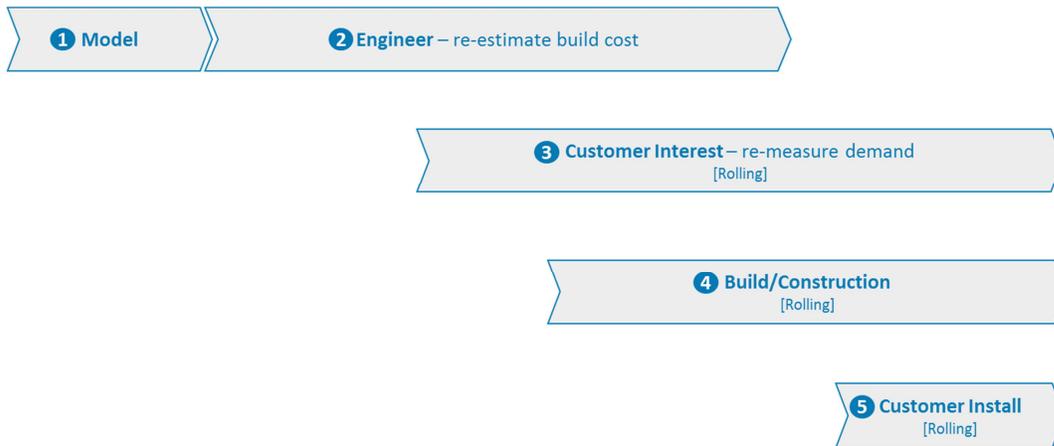


Figure 01: Accelerated deployment approach

The construction of the first phase of the Network would likely take 1 to 2 years, and subsequent phases would be pursued based on the results of additional assessment and the success of the first phase. AT&T’s plans would be subject to change at its sole discretion due to various business and market considerations and could result in delay, deferment, or complete cancellation of the project.

7. WHAT IS NEEDED FROM THE CITY: In order to facilitate the construction of the Network and delivery of services using the Network, the City should consider a commitment to providing support as identified in the following table. These commitments would increase the efficiency and speed of a potential Network deployment and encourage broader coverage.

Town Sponsors/Contacts	<p>Dedicated staff who will work closely with AT&T on the matters related to the Network, including, but not limited to</p> <ul style="list-style-type: none"> • Facilitating interaction between AT&T and City officials • Coordinating between departments • Assisting in permit applications • Enabling information sharing between AT&T and City
Community Education Program	<p>Develop and implement an awareness and education program for community residents with respect to AT&T’s efforts to deploy the Network in certain areas. The program could include direct mailings, community meetings, and/or other initiatives.</p>
Public Relations	<p>Cooperate on all publicity and public relations related to the deployment of the Network. For example, cooperate on a joint publicity and public relations initiative related to the announcement of the Network.</p>
Public Outreach	<p>Assist with efforts to inform residents about proposed activities in the public right-of-way related to the Network build-out. Participate in non-marketing, non-promotional educational programs for local residents concerning the build-out and deployment of the Network and the</p>

	potential resulting benefits to the community.
Access to Right of Way	Allow AT&T to fully utilize and access municipal right of way and public utility easements on terms and conditions no less favorable than those granted to other providers or entities. Access will include permission to perform construction work on City right of way and public utility easements with minimally necessary permitting requirements no more burdensome than current requirements. Additionally, help facilitate efforts for AT&T to gain access to rights of way controlled by third parties, including, but not limited to, any investor-owned electric utility.
Access to Town Infrastructure	Allow AT&T to have access to City's infrastructure on favorable terms and conditions no greater than those charged to any other entity and in no event greater than commercially reasonable rates. Traditional infrastructure used for wireless and wireline network deployment shall include, but will not be limited to, conduit, fiber, poles, rack space, nodes, buildings, facilities, central office locations, available land, etc. City also grant AT&T access to other infrastructure that could be used for deployment of AT&T's wireless and wireline network including, but not limited to, traffic signal poles, mast arms, light poles, etc.
Permits	Waive permitting requirements not absolutely necessary to protect the health, safety, and welfare of the community. If permits are necessary, City will provide quick and diligent review of all applications submitted by AT&T and ensure City resources are available to meet and review obligations; turn-around shall be expeditious and in time frames no less favorable than those provided to other entities. Specifically, City will review and respond to any permit applications of any kind that require approval in not more than three days after submission by AT&T. If permit fees of any kind are allowed pursuant to state law, City will work with AT&T to eliminate such fees or otherwise mitigate their effect upon the project.
Utility Pole Attachments	Facilitate negotiations between AT&T and the electric power provider serving City.
Street Light Pole Attachments	Allow AT&T to attach to street light poles, which could potentially be used to create free public Wi-Fi hotspots.
Map and Address Data	Provide AT&T with detailed GIS data and other address tools, including location information on the facilities owned by City.
Zoning Requirements	Work with AT&T to ensure AT&T can add the infrastructure within the framework of City zoning requirements. Additionally, coordinate with AT&T prior to the build to provide clear guidance as to where additional infrastructure shall be placed.
Pavement Repairs	Work with AT&T related to repairing street cuts. AT&T should not be obligated to replace an unreasonably large portion of pavement or improve the condition of such pavement at time of construction.
Sales Opportunity Identification	Negotiate individual commitments to purchase Network(s) services needed for City operations (e.g., transmission capacity, Internet access, voice, video, security monitoring, cloud computing, and storage) through the Network(s). If requested, provide AT&T with publicly available information as to entities in the Service Area that are candidates to enter into contracts for fiber or Network(s) services. Such

	potential end-users may include educational institutions, large employers, and governments. An initial list of such entities and contact information for key personnel will be listed in Schedules.
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8. **SCOPE:** AT&T would provide network facilities and services discussed in the document consistent with all applicable federal and state laws and regulations. In response to this clarification request and in reliance on the commitments of the City, AT&T would provide a long-term commitment to industry-leading services with a variety of bundles, offers, and applications to serve consumer, small business, and enterprise customers. If AT&T were to deploy the Network, AT&T would expect to deliver related services as indicated in the following table; provided, however, AT&T's plans would be subject to change at its sole discretion due to various business and market considerations and could result in delay, deferment, or complete cancellation of the project.

Deployment Cost	AT&T would bear costs for the deployment of the Network, including design, engineering, construction, equipment, and insurance.
Maintenance and Operation	AT&T would be responsible for the maintenance and operation of the Network.
Design and Deployment	AT&T would be responsible for the design and deployment of the Network and make all design related decisions.
Services Offered	In its sole discretion, AT&T would offer high-speed broadband, pay-TV, and phone service to the residents of the City in areas where the Network has been deployed and potentially additional services. All services would be subject to AT&T's customary terms and conditions for the applicable service.
Customer Service	AT&T would provide technical support, billing, and service repair including dispatches where necessary.
Ongoing Household Deployment	Unlike other fiber broadband proposals that the City may receive for a "once and done" offer of service to the public, AT&T intends to provide fiber-based broadband service to new customers in Service Areas on an ongoing as-requested basis. However, changes in technology in the future may modify the specific service offerings of AT&T in the City.
Promotional Programs	In an effort to educate the City's residents on the deployment of the Network and its benefits, AT&T would sponsor promotional programs throughout the City's to increase service adoption. Examples of potential AT&T sponsored promotional activities include block parties and outdoor concerts featuring local bands, AT&T-sponsored events to address community needs, and academic contests and/or science fairs.
Central Offices and Other Facilities	AT&T may host fiber infrastructure electronics in its existing central offices and provide power to operate the equipment in those

	locations. To the extent AT&T requires space in facilities owned by the City, the City would make space available at commercially agreed rates no less favorable than those granted to any other entity.
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For the avoidance of doubt, AT&T would determine, in its sole discretion, if, when, where, and how to build the Network. In addition, if AT&T makes such a decision to deploy as to City, AT&T would:

- not be obligated to build the Network or offer broadband services in any areas outside of those determined by AT&T;
- provide service to neighborhoods in which demand is expected to compensate for the cost to deploy the FTTP network;
- identify the specific Service Areas where the Network may first be deployed and schedule such deployment to residents within such Service Area, following analysis of the cost to build the Network and expected market demand; and,

AT&T's ability to deliver ultra-high speed broadband services would be greatest where

- The cost to deploy and to operate such a network is relatively low and
- The area includes a concentration of potential subscribers who place a high value on ultra-high broadband bandwidth.

Deployment costs are generally lower in areas that are densely populated and where facilities are aerial. Deployment of the Network and Services within a Service Area shall enable AT&T to offer each resident of a single family home and units within multiple-family dwelling units the opportunity to purchase Services from AT&T for standard fees established by AT&T. AT&T would provide the Services to subscribing residents pursuant to the terms of AT&T's standard terms of service for the Service.