



Frequently Asked Questions about Katahdin Fiber Utility.

What are the municipalities signing up for?

The creation of the utility will allow for the towns to gauge community interest in high-speed, affordable municipal broadband. Commitment to the broadband utility does not bind the towns or its residents to any contracts, exclusive arrangements or other obligations. The broadband utility will give residents an option, should they be interested, to become a customer of the new municipal broadband utility.

We already have broadband, why would we want another provider?

In the current model, private companies known as Internet Service Providers (ISPs) own the broadband infrastructure. Private ownership of infrastructure reduces competition resulting in higher prices and lower services. Municipal owned broadband infrastructure should increase competition resulting in higher speeds for customer at lower costs. The highest quality broadband is required for the Katahdin region to compete in the digital economy on a global stage.

What is the required level of interest from community before work begins?

Based on current projections, the broadband utility would need interest and commitments from 30% of area residents and businesses to commence work on the network.

How much will this cost?

The current estimate provided by GWI is approximately \$2.8 million to build out a full fiber optic network in the Katahdin region. This assumes that fiber optics will be connected to every house in Medway, East Millinocket, and Medway.

How will the build out be financed?

The build out can be financed by grants, federal loans, and/or municipal bonds. The most important factors determining the appropriate financing vehicle will be cost of capital, time and effort needed to secure funds, and underwriting standards.

Who is responsible for repaying debt?

The utility will be responsible for the debt. We anticipate that the revenues generated by the utility will service the debt.



Will property taxes increase?

No. We envision this will be an “opt-in” model. If a resident chooses to participate they either pay the installation fee upfront or pay in monthly installments over 20 years.

Will the towns have to issue debt?

No and we don’t anticipate that this will count against any of the towns’ bonding authority.

What is a broadband utility?

In 2015, the Maine legislature passed law 30-A MRSA 2203.9 which allows two or more parties to enter into an agreement to establish a regional municipal utility district to provide or through public-private partnership, to support or promote the provision of either Broadband services or Internet Services and to issue revenue bonds in support the undertaking of those services.

Who owns the utility?

No one has ownership rights over the utility. It is viewed as a new regional municipal entity and controlled by a board of directors.

What is the board structure for the utility?

The board as outline in the bylaws would include two selectmen or two council members from each town plus one representative designated by the board.

Will this cost extra in addition to the residents’ existing internet bill?

No. Money paid for the existing internet bill will pay for the new municipal broadband services. The money to pay for the network is already present in the Katahdin region.

How do residents sign-up?

We envision the creation of a marketing campaign that includes digital assets and town halls to describe the new service being offered to area residents. Sign-up will be available on a designated website(s) and at the town halls.

How long will the build out take?

We estimate the full build out will take two years.

- Permitting = 6 months
- Construction = 12 months
- Testing, validation, and turning on subscribers = 3 to 6 months



Who else is doing this? Why is municipal owned broadband a benefit to our communities?

The first municipal broadband utility in the state of Maine was created by Calais-Baileyville. However, there have been a number of cities and towns in Maine who have built fiber-optic networks; Sanford, South Portland, Islesboro, and Ellsworth are a few examples.