

Fiber Rates Review

Updated Offerings and Rates

Jennifer Pickel & Justin Cornea
May 1, 2023

No Action Required

Why We Are Here

- Propose changes to Course Wavelength Division Multiplexing (CWDM) services and rates
 - Restructure our existing CWDM dual fiber Lambda service offering
- Other proposed changes
 - Update Digital Local Loop (DLL) rates table to reflect previously approved Resolution (20-14424)
 - Update terms for contracted services
 - Non-Recurring Charges (NRC) update

CWDM: Highlights

- Purchasers of CWDM
 - Anchor institutions
 - Hospitals
 - Schools
- Service applications
 - High bandwidth needs
 - Secure data transport

CWDM: Drivers for Change

- Feedback from Service Providers
 - Potential competitors lowering costs to acquire customers
 - Requested analysis to bring CWDM rates to be competitive
- Necessary to keep our service providers competitive and responsive in a changing environment
 - Entice additional customers to service

CWDM: Solution

- Restructure services to provide greater flexibility to meet customer requirements
- Discount orders based on total number of services requested
 - Volume discount
- Impact
 - Current revenue \$200K (1.6% of total Fiber revenues)
 - Revised forecasted revenue with current service counts of 10 reduced to \$90K
 - Total reduction of \$110K

CWDM: Current vs Proposed Rate Tiers

Lambda 1 Base Rate

\$1,078.59

Lambda 2-8

\$898.82

1 Service (Lambda)

\$1,078.59 per service

2 – 14 Services (Lambda)

\$862.87 per service

15 or more Services (Lambda)

\$496.15 per service

*Additional Per Mile, Per Pathway, Per Month, Per Lambda for dual fiber is calculated at the same 3.57%

Other Proposed Updates

- DLL Rate Schedule Update
 - Resolution 20-14424
 - Continuation of rate increases approved in 2020
- Fiber Pathway Terms
 - Change contract terms from 3 years to not to exceed 7
- No Non-Recurring Charges (NRC) Updates
 - Presented to Board as informational and to the General Manager for approval per Resolution 12-13731

Questions or Comments



Appendix



Glossary

- **Course Wavelength Division Multiplexing (CWDM):** Term used to describe a fiber-optic transmission technique that enables the use of multiple light wavelengths (or colors) to send data over the same medium.
- **Lambda:** Term used to indicate the wavelength of light used in a CWDM solution.
- **Data Local Loop (DLL):** Term used to describe the connection between the Service Provider's End-users and a central aggregation point on a network often termed a Central Office. A local loop is the connection from a communication company's central office in a locality to its customers' premises, at homes and businesses. The District currently provides Local Loops via fiber optics.
- **NRC:** Non-Recurring Charge, a one-time charge.
- **Symmetrical Service:** Provides the same data speeds in either direction. Your download and upload speeds are equal.

CWDM: Current Dual Fiber Rate

Lambda 1 Base Rate

\$1078.59

Lambda 2-8

\$898.82

- No discount for base rate
- Discount of 16.6% applied to orders with 2 to 8 services (Lambda)

CWDM: Proposed Dual Fiber Rate

1 Service (Lambda)

Base Rate

2-14 Services (Lambda)

80% of base rate

15+ Services (Lambda)

46% of base rate

- No discount for base rate
- Discount of 20% between 2 to 14 services (Lambda)
- Discount of 54% for 15 or greater services (Lambda)