

Documenters

POWERED BY CITY BUREAU & SIGNAL CLEVELAND

Utilities Committee

Documenter name: Carolyn Cooper

Agency: [Cleveland City Council](#)

Date: July 18, 2023

[See more about this meeting at Documenters.org](#)

Summary

- According to the [Federal Communications Commission](#) (FCC), about 65% of the City of Cleveland has no access to public fiber optic infrastructure. Additionally, 64% of Cleveland businesses do not have fiber optic access.
- [SiFi Networks](#) is proposing to build fiber optic infrastructure, investing over a half billion dollars of private investment funds in Cleveland at no cost to the city. Today's discussion was informational, so the committee did not take action.
- SiFi Networks provides financial support for disadvantaged families—through **Fibercity Aid**—which can be combined with the FCC Affordability Program for free or subsidized service.
- SiFi Networks has a business model that uses private fund investments to build infrastructures, which are wholesaled to multiple internet service providers that pay fees to access the networks and provide a variety of services to businesses and residents.
- SiFi Networks' build time for the entire city would be approximately four to five years.

Follow-Up Questions

- If SiFi Networks' fiber optic infrastructure proposal is approved, what will happen to [AT&T](#) and [Spectrum](#) services in Cleveland?
- If SiFi Networks' fiber optics infrastructure is completed in the city, will [AT&T](#) and [Spectrum](#) significantly lower their rates to compete?
- What will happen if fiber optics become the only option for residents who rent properties, and, despite subsidized rates, they still can't afford to subscribe to any of the SiFi Networks?

Notes

Committee Chair Brian Kazy (Ward 16) began the Utilities Committee meeting at 10:02

a.m.

Attendance

Present when the meeting started were the following council members:



- Committee Chair Brian Kazy (Ward 16)
- Vice Chair Jenny Spencer (Ward 15)
- Deborah Gray (Ward 4)

Additional council members in attendance were:



- Michael Polensek (Ward 8)
- Kevin Bishop (Ward 2)
- Danny Kelly (Ward 11)
- Joe Jones (Ward 1)

Agenda

The following ordinance was on the agenda:

[Emergency Ordinance No. 583-2023](#) regarding a development agreement with [SiFi Networks](#) Cleveland LLC to install, operate and maintain a fiber optic network system in the City of Cleveland's public right-of-way.

For additional information, click on the following links:

- [583-2023-Development Ag w SiFi Networks for citywide broadband network.](#)
- [583-2023-A-FILE -Development Ag w SiFi Networks for citywide broadband network \(2\).](#)
- [583-2023 Presentation -Cleveland FiberCity 07182023.](#)

Austin Davis, senior policy advisor, thanked the council for holding a summer session.

Kazy said, "Yeah, we do work in the summer."

Davis said that [SiFi Networks](#) is proposing to build fiber optic infrastructure in the City of Cleveland.

He said that it was an "incredible opportunity for the City of Cleveland" that would be "a key element of conquering the digital divide," with "no public financing" needed from the city.

Davis said that, according to the [Federal Communications Commission](#) (FCC), about 65% of the City of Cleveland has no access to public fiber optic infrastructure. Additionally, 64% of Cleveland businesses do not have fiber optic access.

Next, Scott Bradshaw, president of [SiFi Networks](#), narrated a [slide presentation](#). He explained that SiFi Networks is a private infrastructure developer focused on investing in underserved communities.

"We're not looking for the Beverly Hills of the world. We're looking for communities that are underserved with fiber optic infrastructure, where we can have a huge impact from an economic standing, where we can give people choice," he said.

Bradshaw added that SiFi Networks is backed by a \$600 billion [APG](#) global Smart City pension fund and fund manager [Patrizia](#).

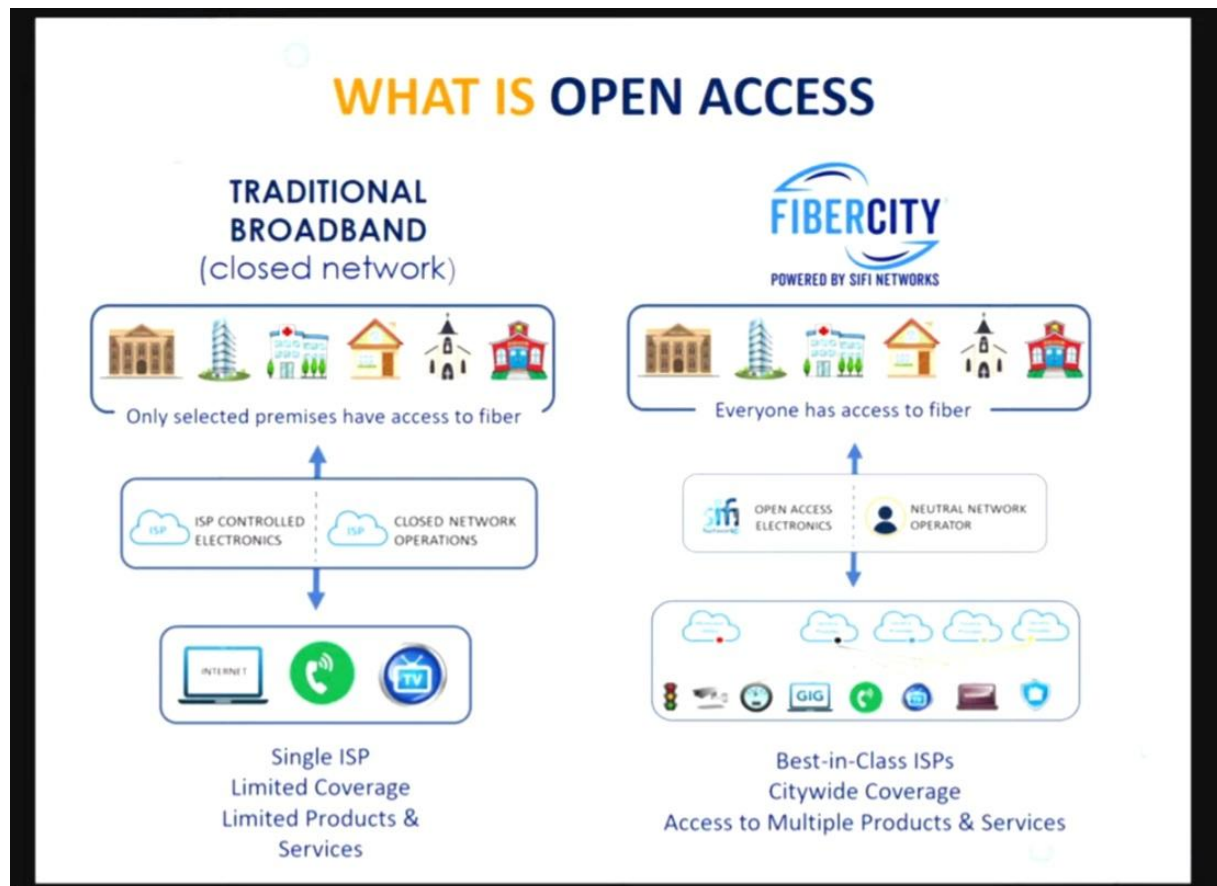
Kazy told council members that they should have received the slide presentation via email.

Bradshaw continued the presentation, outlining SiFi Networks' **Fibercity** brand highlights:

- 100% privately funded
- Zero cost to the city
- A citywide 100% fiber network

- Local engagement in the community
- Citywide fiber supporting Smart City initiatives
- Improved customer service from multi ISP platforms
- Low prices for support of disadvantaged families
- 1 gigabit to 100 gigabit data speed range

Next, he explained **Open Access**—everyone having access to fiber optics—and the differences between **Traditional Broadband** and **Fibercity** (see the following presentation slides below):



FIBERCITY® ISP PARTNERS



LEADERSHIP

SALES &
MARKETING

CUSTOMER
SERVICE

FINANCIAL
STABILITY

Additionally, Bradshaw told the council about SiFi Networks’:

- Community and citywide benefits
- Support for disadvantaged families through **FiberCity Aid**, which can be combined with the FCC Affordable Connectivity Program
- Program for free or subsidized service (see the following presentation slides below):

COMMUNITY BENEFITS



MORE THAN JUST GIGABIT BROADBAND!



Omniflow

NOKIA

Brisa

Signify
the meaning of light

Siklu

citybeacon
hyperconnected

ClearWorld

IoT

SUPPORTING DISADVANTAGED FAMILIES



FIBERCITY AID

Lending a
**HELPING HAND WITH
FIBERCITY® AID**

OUR CITYWIDE FIBER OPTIC NETWORKS PROMOTE EQUALITY, PROVIDING EVERYONE WITH THE ABILITY TO CONNECT. HOWEVER, AVAILABILITY DOESN'T GO FAR ENOUGH FOR EVERYONE. WE ARE AWARE THAT LOWER INCOME HOUSEHOLDS THAT WOULD BENEFIT FROM CONNECTIVITY THE MOST MAY NOT BE ABLE TO AFFORD SERVICE.

BRIDGING THE DIGITAL DIVIDE HAS ALWAYS BEEN PARAMOUNT TO US. SO WE ARE ADDRESSING THIS KEY ISSUE WITH OUR FIBERCITY® AID PROGRAM. WITH SDFI NETWORKS' SUBSIDY WE WILL BE ABLE TO PROVIDE 1 GIG AT A RETAIL RATE OF CIRCA \$30 PER MONTH AND WITH PHILANTHROPIC AND GOVERNMENT SUBSIDY WE WILL STRIVE TO REDUCE THIS FURTHER.

HOW THE PROGRAM WORKS:

-  SDFI NETWORKS ALLOCATES A MAXIMUM NUMBER OF ADDRESSES THAT CAN QUALIFY FOR THE SUPPORT
-  THE CITY SPECIFY WHICH ADDRESSED GROUPS, THESE WILL BE UPDATED ANNUALLY
-  SDFI NETWORKS OFFERS A HEAVILY REDUCED WHOLESALE RATE TO OUR ISPs WHO IN TURN OFFER A LOW COST SERVICE TO THE QUALIFYING RESIDENT

SPEAK TO US TODAY ABOUT FIBERCITY® AID FOR YOUR CITY



FCC Federal Communications Commission

**Affordable
Connectivity
Program**

Are you getting your
\$30/month internet
discount?

**If you participate in any of the following programs,
you automatically qualify for the ACP:**

- SNAP
- Medicaid
- Federal Public Housing Assistance
- Supplemental Security Income (SSI)
- WIC
- Veterans Pension or Survivor Benefits
- or Lifeline

Apply Now at [AffordableConnectivity.fcc.gov](https://www.fcc.gov/affordable-connectivity)

Affordable Connectivity Program

For additional **Affordable Connectivity Program** information, and to help households get broadband access, visit [fcc.gov](https://www.fcc.gov) and see the information below:

Who Is Eligible for the Affordable Connectivity Program?

- Has an income that is at or below 200% of the federal poverty guidelines
- Participates in one of these assistance programs: Free and Reduced-Price School Lunch Program or School Breakfast Program, including through the USDA Community Eligibility Provision; SNAP; Medicaid; Federal Public Housing Assistance; SSI; WIC; Veterans Pension or Survivor Benefits; or Lifeline
- Participates in Tribal specific programs: Bureau of Indian Affairs General Assistance, Tribal TANF, Food Distribution Program on Indian Reservations, or Tribal Head Start (income based)
- Received a Federal Pell Grant during the current award year
- Meets the eligibility criteria for a participating provider's existing low-income program



Find out if you qualify and how to participate. Visit: fcc.gov/ACP

(Source: fcc.gov)

Affordable Connectivity Program *Helping Households Get Access to Broadband*



The Affordable Connectivity Program is an FCC benefit program that Congress created to help ensure that households can afford the broadband they need for work, school, healthcare and more.

Learn if you qualify and apply at: AffordableConnectivity.gov

(Source: fcc.gov)

SiFi Networks business model

Next, Bradshaw explained that the city would not incur any expenses because SiFi Networks has a business model that uses private pension fund investments to build

infrastructures, which are wholesaled to multiple internet service providers (ISPs). Then the ISPs pay fees to access SiFi Networks and to provide a variety of services to businesses and residents.

He added that SiFi Networks is huge on community sponsorship and engagement. They employ locals; provide free food in the communities where they work (via weekly food trucks); sponsor community sports teams and events; and actively listen to residents.

Always Underground, Inc.

Contractor Bill Fenton told the committee that he works with [Always Underground, Inc.](#), a Gold Shovel safety certified, [International Brotherhood of Electrical Workers](#) (IBEW) staffed, [WBEC](#) (Woman Owned Business).

Although they have worked in the city before, he said Cleveland would be a new office location.

Kazy said that signing a 30-year contract with five 10-year automatic renewals would be difficult for the council to accept.

Questions And Answers

Spencer asked how fiber optics and the City of Cleveland fit together.

Davis replied that technology continues to evolve and Cleveland needs to stay relevant. Fiber optics infrastructure is the future, it is competitive, it is fast like "the speed of light."

Spencer asked how the infrastructure would be maintained and what the city's risks are.

Bonnie Teeuwen, the city's chief operating officer, replied that the risks to the city would be the same as for any other utility company.

Polensek said he is confused. He asked: "Did SiFi approach the city or did the city approach SiFi?"

Bradshaw said he believed that SiFi approached the city. He said that a large-scale digital divide has been recognized.

Polensek asked if any of the investment firms were based in China.

Bradshaw replied that APG was the largest pension fund investor.

Fenton added that none of the equipment used came from China.

Polensek said: "If something seems too good to be true, hold on to your you-know-what."

Polensek asked if residents had to give SiFi permission to be on their properties.

Bradshaw said that residents must give their permission when they purchase SiFi Networks service. The underground fiber optics would have to be installed inside of the resident's home.

However, tree lawns and public rights of way are different situations, Davis added.

In order to begin fiber optics infrastructure construction, Bradshaw told Polensek, three things must occur:

- Approval by council for citywide access
- The capital must be locked in
- One, or more, internet service providers must be on board

Polensek asked why Spectrum or AT&T would use SiFi's technology if they both use cable lines on poles and are not underground.

Fenton replied: "They probably wouldn't."

Gray asked what would happen to the fiber already in the ground and where the new fiber would go.

Bradshaw said the existing fiber would remain where it is and new SiFi fiber would be placed parallel to the existing lines.

Kazy said one reason they are not rushing this legislation through is because there are outstanding questions on other internet proposals.

Additionally, Kazy announced that this meeting to hear **Emergency Ordinance No. 583-2023** was informational. The ordinance will be heard again for passage, possibly in September.

Kazy adjourned the committee at 12:20 p.m.

If you believe anything in these notes is inaccurate, please email us at cleDOCUMENTERS@gmail.com with "Correction Request" in the subject line.