



Midcoast Internet

A Regional Municipal Utility

Project Guidelines

High-speed broadband service, with fiber to the premises (FTTP) for all homes and businesses (universal access)

- Minimum symmetrical network speeds of 100 Mbps download and 100 Mbps upload, with availability of up to 1 Gigabit
- Affordable fees to consumers of \$50-\$60/month for 100/100 service
- Open access
- Competition among internet service providers (ISPs) on the fiber network to keep user costs low
- Local customer service

No local tax increase to build the network

A Fiber Optic Network

Uses fiber optics – glass strands as thin as a human hair – to carry pulses of light that transfers information, at the speed of light.

- The fastest and most reliable communication and data transfer technology
- Easily upgradeable
- Replaces old-fashioned, out-of-date copper coaxial cable
- A future-proof system to last multiple generations
- Equipment upgrades made on the “head-ends” not along the fiber network

The Midcoast Internet Regional Utility

A non-profit municipal utility created through interlocal agreement

- Nonprofit broadband utility formed under Maine law, Midcoast Internet Development Corporation (MIDC)
- Owned by the participating communities
- Owns the physical network infrastructure, the fiber backbone
- Contracts with construction company to build
- Contracts with a system operator to maintain network
- Contracts with ISPs (internet service providers) to provide service to customers
- Allows for competition on the fiber network to keep costs low and competitive
- Ensures affordability to customers, no shareholder profit, all profit returned to the utility owned by the participating communities for expansion of internet service and to reduce costs to consumers

The Midcoast Internet Operating Model

A fiber network

- Connects to the statewide Three Ring Binder fiber optic network, which connects to the global internet
- Open access, with fiber to the premises
- ISPs lease capacity on the network to provide services
- Income from leasing the fiber to private ISPs pays off debt service



- Profits from leasing fiber reinvested into the communities and region by expanding service areas, through network upgrades, and keeping costs to users affordable

Financing The Network Build

- MIDC is working with GWI, a premier open network provider in Maine, to bring together a critical mass of Midcoast area small towns and rural areas to provide community-based internet service, funded by grant money and revenue bonds.
- GWI has reviewed the economics of building the MIDC network and has determined that with a critical mass of small towns, a community-owned fiber network is economically feasible to build and operate.
- GWI will work with the participating towns and MIDC, and together they will apply for grants from Maine Connectivity Authority. The intent is to finance 75% of the network build through grants.
- The remaining 25% of the cost of the build will be provided from revenue bonds. The bonds will be obtained on the strength of the state grants and economic feasibility of the network. The bonds will be paid off with the revenue generated from the end users of the internet network.