

Trustees 2014-15

Lee Beckerman-2016
 Nick Besink-2016
 Sharon Colucci-2014
 Bob Duthaler-2014
 Dave Garb-2016
 Stephanie Gibbons-2014
 Debbe Gist-2016

Your Municipal Communication Resource

Connecting Your Town to Your Residents

PRESIDENT'S MESSAGE

Bob Duthaler, President

We began 2014 with the election of officers with the following results: Bob Duthaler—President, Dave Garb—Vice President, Stephanie Gibbons—Recording Secretary, Lee Beckerman—Corresponding Secretary, and Debbe Gist—Treasurer.



Standing Committee and Chairs are: Bob Duthaler—Executive, Debbe Gist—Finance, Rich Desimone—External Relations, and Lee Beckerman—Production.

I would like to recognize departing board member Jesse Paterson for his years of hard work and dedication to JAG. Jesse also played a significant role in the success of JAG's conferences and its development into this year's structure. We thank him for his work as a trustee and wish him well. He will be missed and look forward to his return.

I have established the following Ad Hoc Committees and Chairs: Membership—Stephanie Gibbons, Affiliates—Dave Garb/Sharon Colucci, Conference—Rich Desimone, and JAM Awards—TBA.

I have established a new ad hoc committee, Affiliates, to deal with issues related to communications and responsibilities of JAG as an affiliate of the NJ League of Municipalities and NATOA. This committee will keep our membership up to date.

I have identified a number of goals for 2014 that I presented to the executive board at the reorganization meeting. JAG needs to increase its marketing to New Jersey Municipalities and promoting the value in becoming a member. We will plan a stronger presence at the NJ League of Municipalities Conference, which will include workshops presented by JAG and joint workshops with the NJ State League of Municipalities. We will also provide articles in both the NJLOM Magazine and the Affiliates Newswire Newsletter, plus emails to the mayors via the NJ League. JAG will also begin producing a monthly newsletter.

JAG will strive to have guest speakers or vendor presentation at all of its meetings to provide more value to JAG's membership, work on vendor membership classification fees and develop a membership value package to market to our conference vendor list.

In conclusion JAG will update our 5 year plan, look at pursuing grant opportunities and explore development of a college scholarship fund.

I look forward to a great year and thank the trustees for their support in electing me to lead this great organization.

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Meeting Schedule

Jan. 29- East Brunswick
Presentation-JVC
Feb. 26- Piscataway
Presentation-TelVue
Mar. 26- Oradell
Presentation-Azzurro
Apr. 30- Verona
Presentation-TBA
May 28- Asbury Park
Presentation-TBA
Jun. 25- South Orange
Presentation-TBA
Sept. 24- Montclair
Presentation-TBA
Oct. 29- Metuchen
Speaker-Steve Traylor
Nov. 26- Essex College
Presentation-TBA
Dec. - TBA
JAM Awards

Building the Business Case for Government Fiber Networks: A Guide for New Jersey Municipalities

This article appeared in the January issue of the NJ League Magazine.

Joanne Hovis, President, CTC Technology and Energy, Consultant to the Jersey Access Group



Even without another major federal funding initiative on the horizon, New Jersey localities have viable options for building next-generation fiber networks to serve government and economic development needs. In our experience, there are two primary financial ways to demonstrate the business case: First, there are the existing and future costs that a government network can help the operator avoid (i.e., by replacing services for which the government previously paid third parties). Second, there are the potential revenues that a network can bring to the community. Together, these two sides of the equation can add up to significant dollars—and potentially to sufficient amounts to justify financing the necessary construction.

Capitalizing on Cost Savings

Governments buy a lot of connectivity services. Typically, localities lease circuits from a telecommunications company—and often at rates that represent extraordinary profit for the provider. Worse, the circuits are usually relatively low-bandwidth connections, because the retail costs of very high bandwidth services make those connections simply unaffordable.

A government fiber optic network can eliminate the ongoing cost of leasing circuits, which represents an easily quantifiable savings for the business case. You can also deliver Internet connections at much lower per-unit cost, because you can aggregate the needs of all your departments to more cost-effectively purchase commodity bandwidth.

The cost savings generated by a government network will grow over time. The lowest estimates would value that growth in lockstep with the expected inflation of retail service prices. But in reality, the government network will deliver even more value because it can inexpensively scale to meet the jurisdiction's future needs for capacity (which are likely to grow exponentially) and connectivity to additional sites—which might be financially impossible using leased circuits.

Creating Revenue Streams

Like a toll road waiting for traffic, a government-owned fiber network represents a potential source of revenue for the community. Projected cash flow generated by a government-owned network is not as certain as the avoided costs, but prudent business modeling can include scenarios ranging from best-case to worst.

There are, in fact, three potential revenue streams in a fiber network; two are fairly traditional, and one is both new and potentially very lucrative.

Dark or lit fiber to community anchors

The first revenue stream is a well-established aspect of network operations: providing either dark fiber or lit services for non-governmental institutions. Broadly defined, these so-called community anchor institutions include community colleges, schools, libraries, municipal utility facilities, and other public places such as community media centers, non-profits, hospitals, clinics, community centers, senior centers, and public housing.

A government fiber network connection is a natural fit at these facilities. Community anchors are big buyers of connectivity services, and some of them, such as libraries, colleges, and media centers, bridge the digital divide in their areas by providing Internet access to residents who lack home broadband service. So in addition to helping the network's balance sheet, providing reasonably priced fiber to anchor institutions also supports the needs of those institutions and the citizens they serve.

Middle-mile capacity

The second potential revenue stream derives from providing “middle-mile” capacity to private sector operators. This is a more speculative income source, but a growing body of evidence indicates that it is feasible given the proper market conditions. (A formal Request for Information process would establish a sense of just how feasible those market conditions are in a given community.)

Making middle mile capacity available where it does not otherwise exist, and at very reasonable cost, reduces the barriers to investment for entrepreneurial companies and non-profits that want to build last-mile capacity. Those companies' lease arrangements would not only lead to meaningful revenues, but would also stimulate the extension of broadband service to members of the community that otherwise would not have it, or would not have the benefits of competition.

Federal Universal Service Fund subsidies

Another significant potential revenue stream enabled by a government-owned fiber network hinges on a 2010 Federal Communications Commission (FCC) order; that decision made non-regulated non-profit and public networks eligible for the E-rate subsidy under the Universal Service Fund.

The requirements for becoming an E-rate provider, including competing in a procurement process, are necessarily strict. But there are enormous positive financial implications for governments that become providers: Serving schools and libraries means realizing the benefits of E-rate subsidies as high as 90 percent.

The new Healthcare Connect Fund offers similar subsidies (up to 65 percent) for networks that serve qualified health care providers such as community health centers, hospitals, and local health departments. The program focuses on rural health care providers, but encompasses urban or suburban providers that belong to a consortium with rural providers.

If your qualified schools, libraries, or health care providers were to award your network a contract—meaning that your network provided the best service at the best price—you would have guaranteed revenues that are independent of your local government. This funding could cover your operating costs, and possibly even some of the cost of servicing the debt that you undertake to build the network.

The Multiplier Effect

Both in terms of avoiding costs and increasing revenues, government-owned networks deliver one additional benefit: They keep money in your community. Whereas circuits leased from a large national provider require sending a big monthly check to a corporate entity, monthly fees paid to a government-owned network stay in the community—to be spent on other services, and to be multiplied when local network employees spend money at other local businesses. The Jersey Access Group works with a number of consultants and advisors to provide information on communication issues effecting municipalities. Topics like this will be components for discussion at our annual conference, Eastern Region Communication and Technology Conference, May 7-9, 2014, Hyatt New Brunswick. For details visit www.powerofpartners.org. Make plans now to attend.

Thanks to Joanne Hovis for providing this article and for her continued support of JAG.

Bits & Bytes

- TelVue will provide a presentation at the Feb. 26 meeting. TelVue President Jesse Lerman will demonstrate the latest feature enhancements to the HyperCaster broadcast server, including integrated "bug and ticker" graphics, and the SDI option which allows you to simulcast a single channel in both HD and SD out of a single box. The graphics feature is great for both channel branding and emergency notifications.
- Those using purchase orders for conference registration should submit them ASAP to allow for processing and insure early bird rates.
- Standing and Ad Hoc Committees are looking for volunteers. Please call 732-877-8581 or contact the committee chairs to sign up.
- Production Committee is looking for stories for JAG's magazine show, Access New Jersey. Contact Lee Beckerman at lee.beckerman@twp.woodbridge.nj.us for details.
- Don't Forget To Use The JAG Shared Server: Connect Media Exchange. To register send an email to Donna Lu at dlie@telvue.com
- Executive Board Meeting Feb. 19, 2012.

COMMITTEES CORNER

CONFERENCE

Rich Desimone, Chair



Eastern Region Communication and Technology Conference 2014

May 7-9, 2014, Hyatt Regency New Brunswick, NJ

Celebrating Our 10th Anniversary

Conference Highlights

May 7, 2014

Pre-Conference workshops
Meet and Greet

May 8, 2014

Breakfast with the Vendors
Vendor presentations
Municipal workshops
Welcome luncheon
PM energy break
Partners Banquet

May 9, 2014

Networking Breakfast
Municipal, Technology and
Operational Workshops
Keynote luncheon
Vendor prize give away

Conference Partners

HB Communication
TelVue
NATOA
NJ League of Municipalities
NJEdge
New Bay Media
Community Media Network

New Jersey's only municipal telecom event

This year's conference plans are already underway and you will not want to miss Power of Partners 5.0.

A new asset for your municipality

Conference producer, the Jersey Access Group (JAG), having recently become a **New Jersey League of Municipalities Affiliate** will capitalize on the new resources this relationship provides to enlarge the scope of this year's conference by providing a number of new telecommunication vendors and workshop panelists.

Understand your communication infrastructure

We are pleased to announce that the New Jersey League of Municipalities and The National Association of Telecommunication and Advisors (NATOA) will provide assistance in workshop development. We will be expanding the conference structure to include the many telecommunication issues facing New Jersey's Municipalities in areas of: local government communications and Internet policy; broadband planning best practices; social media management, cable franchising and right-of-way; communication taxes; wireless zoning; new technology initiatives and advancements; and communication operation and content distribution including public, education and government (PEG) access television stations.

CEU CREDITS AVAILABLE

Talk technology with the manufacturers

The trade show floor, consisting of over 60 vendors, will also be expanding to accommodate additional vendors in support of these new categories.

Get all the conference details and updates at

www.powerofpartners.org

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New Jersey Chapter of NATOA and New Jersey League of Municipalities Affiliate

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