



Rainier Connect Contract Update

Government Performance and Finance
Committee (Virtual) Meeting
February 15, 2022



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Agenda

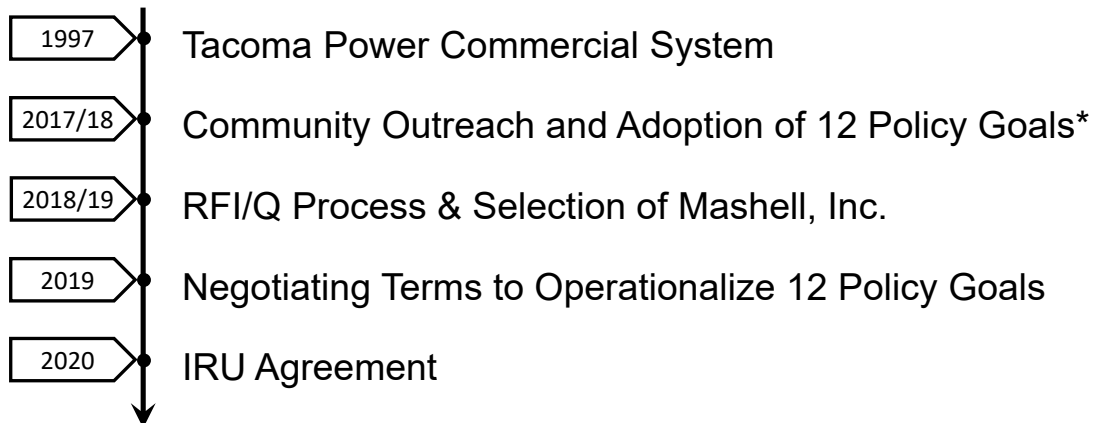


1. History and Background of 12 Policy Goals and Development of Agreement
2. Indefeasible Right of Use (IRU) and Scope of Contract
3. Contract Update and Monitoring of Commitments
4. Milestones Achieved
5. Looking Ahead
6. Q&A

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History and Background



* PUB Resolution U-10988/Council Resolution No. 39930

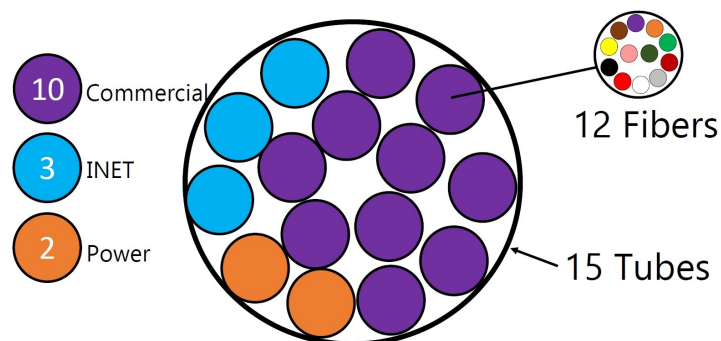
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What is the Indefeasible Right to Use?



- Tacoma Power installed Fiber for Power System Operation
- The 'lease' of this Excess Fiber is what is part of the IRU
- The City of Tacoma (INET) owns Fiber and Excess Fiber was installed



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What isn't in the IRU Contract?



- Neither Click! nor the IRU set broadband (Internet) rates in this competitive industry
- Television rates are also not set in IRU
- Loss of ownership, control and security of assets that serve critical municipal and utility functions

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Contract Update



- Full Execution of the IRU
- Management of the Contract
- Accountability for Contract Commitments
 - Metric Reporting
 - Annual Updates to Public Utility Board
 - Confirmed Internal Subject Matter Experts for Review
 - Review of Reports Submitted by Rainier Connect

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The 12 Policy Goals


Top three policy goals, as determined by public stakeholders:

- 1. Public ownership of the Click! Network.** Continuing public ownership of the telecommunications assets, especially those assets necessary for Tacoma Power operations.
- 2. Preserving competition.** Preserving competition among telecommunication providers that benefits customers (such as high-quality, technologically up-to-date, and reasonably priced telecommunications services).
- 3. Affordability.** Creating low-income, affordable access to telecommunications services.

Public ownership of assets	Equitable access	Low-income/affordable access
Net neutrality	Open access by other providers	Preserve competition
Safeguard municipal use of services	Maintain financial stability	Economic development & educational opportunities
Job options for Click! staff	Consumer privacy	Click! goodwill, customer service

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Top Policy Goal - Status

Goal: Public Ownership of Assets

Continuing public ownership of the telecommunications assets, especially those assets necessary for Tacoma Power operations.

IRU Requirements (Exhibit E)

- System upgrade certification
- Quarterly compliance reports


Status: Met


Highlights

- 20-year agreement term with 2 potential 10-year renewals
- Gigabit speeds within 3-years
- Network upgrades over time
- New assets for TPU

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Goal: Preserving Competition

Preserving competition among telecommunication providers that benefits customers, such as high-quality, technologically up-to-date, and reasonably priced telecommunications services.


IRU Requirements (Exhibit N)

- List of names of persons/entities with voting rights and ownership interest in Rainier Connect
- Certification that working control of Rainier Connect has not changed


Status: Met


Highlights

- No transfer without TPU consent
- Annual certifications submitted as required



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Goal: Affordability

Creating low-income, affordable access to telecommunications services.


IRU Requirements (Exhibit H)

- Lifeline enrollment statistics
- Offering reduced-cost broadband
- Offering free broadband


Status: Met

Highlights

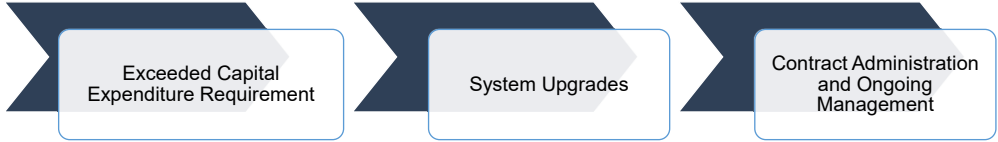
- Federal subsidy – Lifeline Program
- High quality inclusion product – Reduced cost broadband
- Free access to community – Student Connect



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Milestones Achieved




Exceeded Capital Expenditure Requirement

System Upgrades

Contract Administration and Ongoing Management

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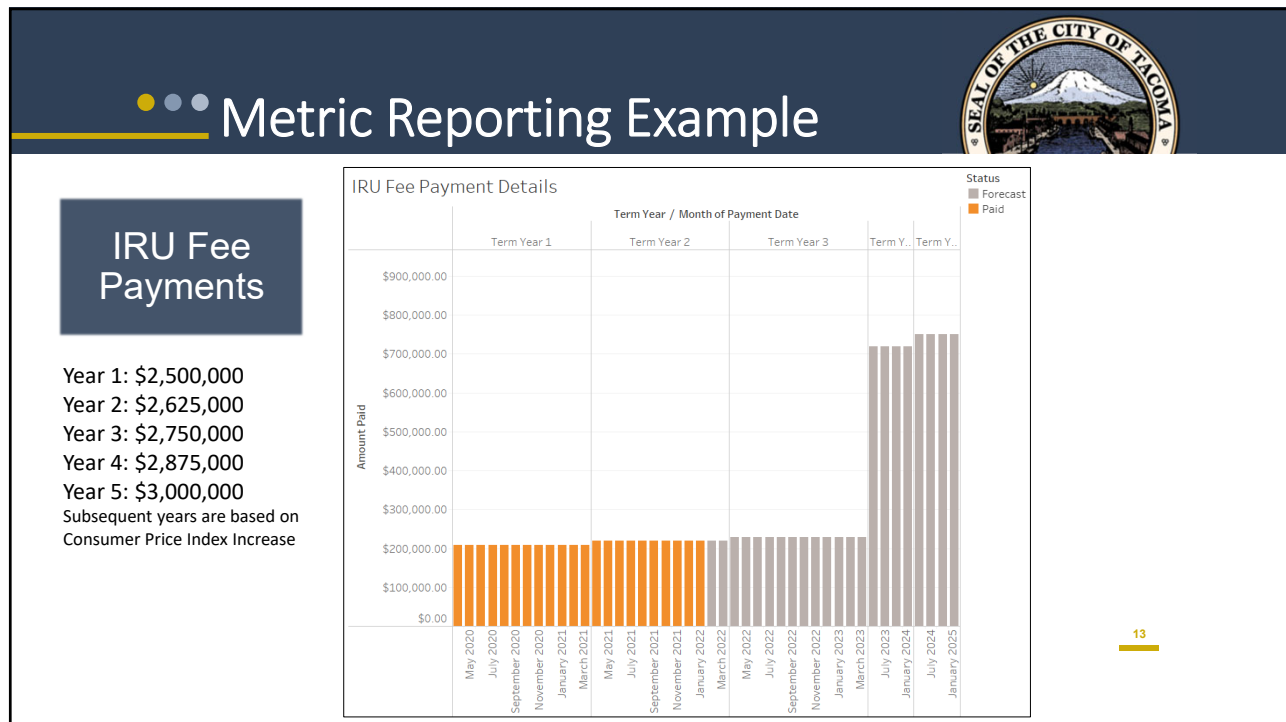


Reporting Example

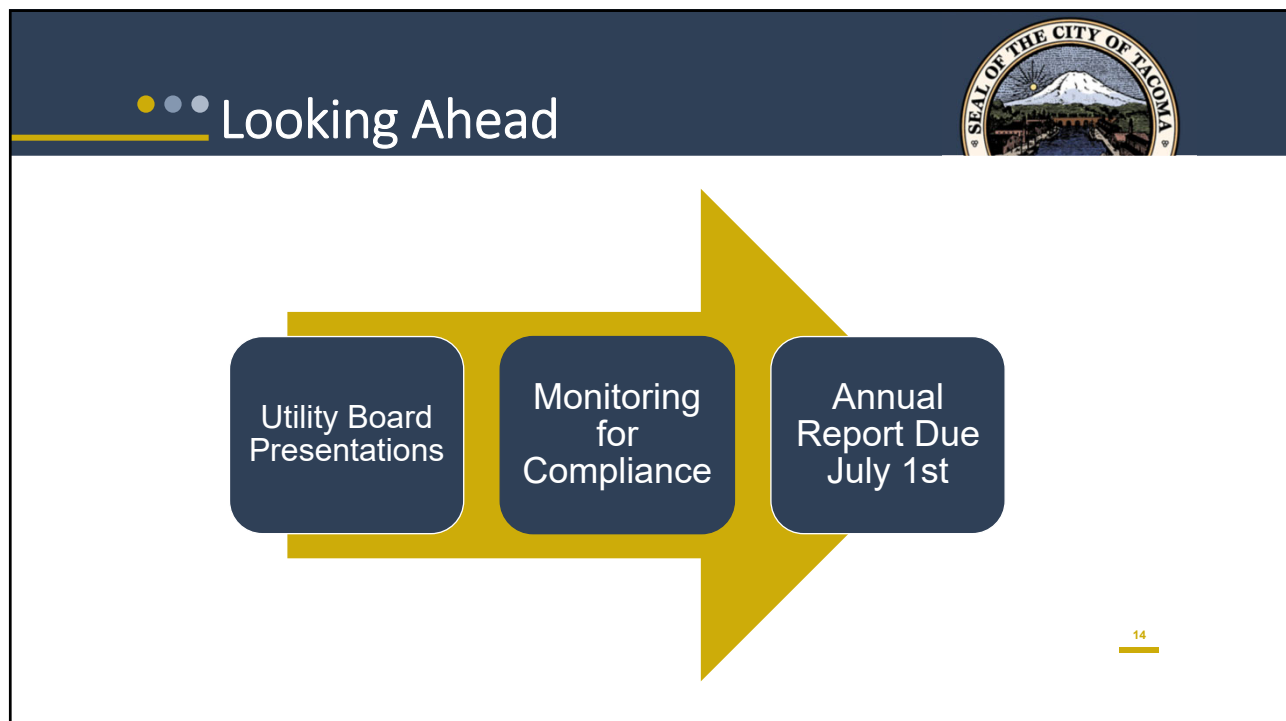
Commitment Summary	2020	2021	Comments
Operator agrees to maintain a local or toll-free telephone line for customer calls and will provide forms of customer contact that will be available 24 hours per day, 7 days per week, including holidays. A company representative will respond to inquiries received after Normal Business Hours on the next business day.	Met	Met	
Under normal operating conditions that are within control of the Operator, calls and other forms of customer contacts will be answered by a company representative within 30 seconds after the connection is made. If the call or contact is transferred, the transfer time will not exceed 30 seconds. These standards will be met at least 90% of the time, measured quarterly.	Impacted by Pandemic	Met	
Operator will schedule appointments for installations and other service calls either at a specific time or, at a maximum, during a 4-hour time block during normal business hours. Operator may also schedule service calls outside of normal business hours for the convenience of the customer.	Met	Met	
Standard installations that are located up to 125 feet from the existing distribution system will be performed within 7 days after an order has been accepted.	Impacted by Pandemic	Impacted by Pandemic	Not operating under Normal Conditions for reporting period. Avg'd 7.46 business days
Except during an event of Force Majeure, Operator will begin working on a service interruption no later than 24 hours after being notified of the problem.	Met	Met	
Standards concerning installations, outages and service calls will be met under normal operating conditions at least 95% of the time, measured quarterly.	Impacted by Pandemic	Impacted by Pandemic	Not operating under Normal Conditions for reporting period.
Maintain physical presence in Tacoma, including a store that will be open during Normal Business Hours.	Met	Met	Tacoma office remains closed due to pandemic. RC has implemented strategies to mitigate impact on customers, including porch pick-up and deliveries.

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Contact Information



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