



April 11, 2016

The Honorable City Council  
City of Wildwood, Missouri  
16860 Main Street  
Wildwood, Missouri 63040

Re: Update on the City's Rural Internet Access Project

Council Members:

The Department of Planning has not received an update from Wisper ISP regarding its potential fiber optic installation in the areas of Wild Horse Creek Road and State Route 109. The impact of such an installation cannot be understated in an area that is so poorly served with options for high-speed internet service. The last correspondence from Wisper ISP noted that something would be provided to the City by the week of March 28, 2016. As noted, the Department has nothing to report at this time relative to this item.

However, since the last update on this matter, a trustee in the Wild Horse Farms Subdivision sent an email to Council Member McGowen (Ward One) about the lack of progress in finding a high-speed internet solution for this area of Wildwood, the poor choice of wireless internet access by the City, as a solution to this problem, and the area's frustration with the City for not being willing to compensate Charter Communications for work to bring internet service to these locations by the City of Wildwood. The e-mail in this regard is attached.

The Department still believes its past position on this matter, which was verified/directed by the City Attorney, to be accurate, i.e. the City cannot use public money for private purposes, without some benefit to the entire community, but would be willing to contact Charter Communications and seek more information on the cost of this service and timelines for such. This contact would be introductory, but would be intended to find service options acceptable to all parties. Again, in past discussions with Charter Communications, the company has not wanted to provide any ownership of the improvements (fiber optic, conduit, etc.) or a fee or recoupment component to offset the taxpayers' outlay in this regard. These circumstances led to the action of the City Council not pursuing an agreement with the cable provider.

As part of this update, the Department is also presenting information regarding current payments to the City from the two (2) providers that utilize its current system of sixteen (16) poles. The last payments from these two (2) companies totalled \$1,245.00 (January 1, 2016 – March 16, 2016), which is indicative of approximately four hundred (400) households being served by these two (2) networks that are provided by Bays ET and Wisper ISP. Most recently, Bays ET has been adding customers to its system, particularly with the installations of the latest three (3) poles. Without the City's efforts, many of these households would not have service at this time.

Lastly, the Department received the attached e-mail from a resident, who has been waiting patiently for service from Wisper ISP that would originate from the emergency communication tower in Babler State Park. As detailed in this e-mail response from Richard Barney, the Executive Director of the Emergency Communications

Commission (ECC), to this individual, a moratorium has been in place since November 2015 on the use of these towers, so as an audit can be completed by the Department of Homeland Security on the practicality of their use for commercial applications. First, the Department would note that no one from St. Louis County advised the City of this situation, after many contacts over the last year about the status of the towers for use by Bays ET and Wisper ISP and, secondly, the representative from the Emergency Communications Commission (ECC) had noted, when the towers were under review by the City several years ago, that no other commercial applications were planned for these towers, given their purpose and security associated with them. In both instances, the Department believes St. Louis County is not maintaining its commitments to the City of Wildwood.

If any of the City Council members should have questions or comments in this regard, please feel free to contact the Department of Planning at (636) 458-0440. Thank you for your continued support of this project and the efforts to address the needs of rural Wildwood residents.

Respectfully submitted,  
CITY OF WILDWOOD



Joe Vujnich, Director  
Department of Planning

Cc: The Honorable Timothy Woerther, Mayor  
Ryan S. Thomas, P.E., City Administrator  
Rob Golterman, City Attorney  
Kathy Arnett, Assistant Director of Planning and Parks  
Chris Bay, Malinda Huring, and Nathan Stooke, Service Providers – Bays ET and Wisper ISP



**From:** Larry McGowen mcgwildwood@att.net   
**Subject:** Re: WS - Update on Rural Internet Access.pdf  
**Date:** April 7, 2016 at 11:20 PM  
**To:** Greg Thebeau Greg.Thebeau@bunge.com  
**Cc:** Larry McGowen mcgwildwood@att.net, Joe Vujnich jvujnich@cityofwildwood.com, Ryan Thomas ryan@cityofwildwood.com, Jim Bowlin jbowlin@cityofwildwood.com, Robert Golterman rgolterman@lewisrice.com, Glen DeHart gbwrecycling@att.net, Tim Dolan timdolan@dolancare.com

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Greg:

A few years ago we felt we were close to working out arrangements with Charter to get them to extend high speed internet service (which would probably have also included TV and voice phone service) to unserved areas of the city. As negotiations proceeded however, Charter told us that to do so they would require an upfront payment of approximately \$3 million dollars due to the economic considerations of the low density of potential users and the difficulty of extending fiber over an extensive area. Charter was also unable or unwilling to allow the city to bill a surcharge or special user fee to the Charter customers who used the service. Since the city was not set up to handle billing of the hundreds of customers who would use the Charter service, without the assistance of Charter the hoped for deal fell apart. We revisited the billing accomodation issue with Charter in more recent years only to find they remained unwilling to assist in the billing process.

The city could and I believe already does impose a franchise fee on Charter. The company bears the full cost of extending and providing service to their customers. In this case the City is not paying for the installation of any service or equipment.

As we discuss internet service its important to understand there are differences between what municipalities can charge providers of such service. The Federal law which since 1998 by multiple extensions has barred the taxation of internet access was recently made permanent when President Obama signed into effect a new law on 2/24/16, refer to 47 U.S.C.A. 152. Thus no taxes or franchise fees are allowed to be charged to providers of internet service. My own AT&T Uverse combined bill shows that my internet service includes no fees or taxes of any sort. When our past efforts to work out arrangements with Charter collapsed, we focused our attention on smaller wireless providers that agreed to work with us to extend and provide internet only service. As the two providers do so, as internet providers they are exempt from any franchise fees. However, they do pay the city a user fee, i.e. rent for being allowed to place their equipment on special poles the city has paid to have installed with electric service brought to the poles. We will continue working with Wisper ISP and Bays ET in our efforts to have internet service extended to all parts of the city.

It is interesting that providers of cable TV service can be charged franchise fees whereas providers of satellite TV service cannot be charged such fees. The rationale for that difference is that, unlike cable companies, satellite providers do not use public rights-of-way, and therefore the satellite providers do not pay franchise fees. Again my own AT&T combined bill shows that my current Directv service which is a satellite provider includes no taxes or fees of any sort. Prior to the time I switched to Directv service, my AT&T bill for uverse TV cable service included a local video franchise fee.