

## **Frequently Asked UTOPIA Questions**

### **Why doesn't the City just let UTOPIA/UIA "go dark"?**

Murray City is contractually obligated to cover UTOPIA and UIA bonds in the event of default. Murray City is currently covering UTOPIA's bond payment of \$1.6 million. If UTOPIA and UIA were to "go dark", yes the operational loss would cease, but it would be replaced by a larger annual UIA bond payment of \$390,000 for the next 24 years. In addition, if UTOPIA and UIA were to be dissolved, the bonds would need to be secured in the member cities names. UTOPIA issued interest rate SWAP with its debt; the City would have to pay to break this SWAP contract. This could cost the City an additional \$9.2 million. With just the quantifiable costs, the "go dark" option does not seem like the best option.

### **Why is the government in the private sector?**

To start off, this is a valid concern. Nobody wants the government to provide a service that the private sector can provide for less. UTOPIA does not provide internet service; rather it only provides the fiber infrastructure for service providers to utilize. The network was started twelve years ago, because most of the private sector companies were unwilling to invest in fiber. It wasn't until Google entered Utah's market that most companies started investing in increased internet speeds. The tough reality now, is the City is in this for the long-term and \$225 million dollars have been spent building the UTOPIA/UIA network.

The private sector is a big part of this endeavor. UTOPIA and UIA are not competing, but are providing a network for companies to provide the internet service as well as other services. Instead of just one company controlling the lines, with the UTOPIA network any entity can use the same lines, which improves competition. If lines are limited to just one company no additional competition occurs. Smaller companies can't afford to create their own network.

### **What is different this time?**

The biggest difference at this point versus when the network was first formed is the quality of internet service providers. Mstar gave the UTOPIA network a black eye (maybe two, and some broken ribs), and made some customers very unhappy (and rightfully so) with their poor service. Now, there are companies like XMission, Veracity, Sumo and InfoWest who do an exceptional job and deliver great services, and the City expects more quality service providers to come in the future.

Another change with UTOPIA and UIA is the support from the Cities who have provided a two-year lease contract instead of the \$3,000 connection fee. This makes the network much more cost effective for our citizens to connect. The City has learned that most of our citizens do not know about many of these changes, especially the lease option.

### **UTOPIA has been poorly managed, how is that going to be different?**

There are areas in UTOPIA where improvement is needed; Mayor Eyre has made UTOPIA and finding a long-term solution for UTOPIA a top priority. There have been some leadership changes in UTOPIA in the recent year, and there may be more in the future. Many options have been explored and many more will be researched. Mayor Eyre has asked department heads to scrutinize this difficult situation.

### **Why is this technology any better than what coax or what wireless?**

The fastest internet offered today is fiber. Copper lines and wireless technology are not as fast as fiber.

### **Why doesn't the City just sell the network?**

UTOPIA is made up of 11 Cities. UTOPIA's Board is made up of leaders from these Cities. Voting is weighted by City population, and as of right now, the voting majority of the Cities do not want to sell. So this option is not currently available.

### **What is this going to cost me? What do I get?**

To connect to the network with the lease plan, there isn't an initial connection fee. There are three different levels of service for internet and they are: 10 megabits for \$40, 100 megabits for \$65, and 1 gigabit for \$95. Of the amounts listed, \$30 will be billed by UIA with the remainder billed by the service providers. All of the service providers have additional options in term of services and these choices (e.g. TV, phone, filtering, web design, etc.) will have to be considered when selecting an internet service provider.

### **Is the City going to support the network if UTOPIA doesn't fix my problems? If UTOPIA doesn't call me back who do I talk to?**

The City wants to hear what difficulties and successes you experience with the network. If one of our citizens does not receive the customer service they have come to expect from their City and City services, the City has added a UTOPIA/UIA selection to our webpage under "Report a Concern." The reported problem will then be followed up by a City employee until it is resolved. In addition, with this information, the City can start collecting data for needed customer service improvements.

### **Do I have to have a lien on my home?**

The City understands individuals do not want a lien on their home. There is no longer potential for a lien on your home with the lease option. The lease contract has a prorated termination fee in the event an individual needs to break the lease for any reason. As with any unpaid contracts, a customer could be disconnected from the network and turned over to collections if monthly bills are not paid.

### **Why would I want this?**

The benefits of this service are: the internet uploads and downloads speeds are fast all of the time, it could save you money, it increases competition directly and indirectly between service providers, and it is beneficial to the City if our citizens connect to the network. If any of these reasons are true for a potential customer, the City would hope you would consider this as an option for your internet needs.

### **Will you buy out my current provider's contract?**

Unfortunately no, but if you would give the network a chance when your contract is up, the City would appreciate it.

### **What about businesses?**

UTOPIA currently has a plan which focuses on business connections. More information can be found at UTOPIA's website ([www.utopianet.org/business-inquiry/](http://www.utopianet.org/business-inquiry/))

### **Can I have the same deal that the Legacy customers received?**

No, the legacy option was discontinued many years ago, and was not a financially viable option.