

DATE: January 5, 2007

TO: Mayor Barnett and City Council

RE: Wireless Oakland

Below is the additional information that council has requested regarding the Wireless Oakland Initiative.

- What happens if we do not sign these contracts? That is, what impacts will that have on the wireless project?

Oakland County Response: It will hamper the deployment of wireless internet service in the city and delay the scheduling of service installation in your community. Honestly, what it means is ultimately we'll start in every other CVT that has approved the agreement (almost 55) first.

I take this response to mean that MichTel could still partially install the wireless network in Rochester Hills but only using the assets of others, such as DTE. Our assets would be useful to build a more stable and reliable network. Helping to route transmissions and backhauls to the network. (Backhaul – transporting traffic between access points back to the more centralized points of the network)

- At least one member was concerned about the financial stability of MichTel can you tell me how and or why they were selected as the primary contractor in setting up the wireless network?

Oakland County Response: MichTel Communications was selected via a competitive bid process in the Fall of 2005. Since that time, MichTel has assembled a set of partners that include several fortune 500 companies like Cisco, Johnson Controls, Xtnrgy, and a breath of local companies that will participate in the initiative. (See attached January 4, 2007 press release)

Furthermore, the County's contract with MichTel protects the constituents of the county from any concerns regarding the financial stability of the MichTel.

- Why was the speed of 128 kbps selected as the free access speed?

Oakland County Response: The speed of the free service was determined via the competitive bid process. 128K up/down is the starting point for the initial launch of the Wireless Oakland program and the contract calls for increases in that free service over the length of the contract.

This speed while slow is still acceptable for basic browsing, email, etc.

- What other services will be provided by MichTel and at what rates?

Oakland County Response: MichTel will be offering increased bandwidth, VoIP services, and other traditional ISP services. Rates will be announced as Phase One communities are deployed in Q1 of 2007.

- What is the implementation schedule? I know there is a press conference today about this and assume all the information needed will be on your website shortly after that. Is that correct?

Oakland County Response: See attached press release for a Phase One schedule.

- Since anyone will have access to this network what security precautions is the county taking to secure individual data streams?

Oakland County Response: Users will only have access to the network if they login via a captive portal. A valid username and password must be provided to access the network. Security will be provided once the device is connected to the access point and MichTel will also offer additional security (VPN, encryption, etc.) to individual users for a fee.

Remember this is no different than your home computer, meaning that each computer owner is responsible for his or her own security, no matter the method of internet access.

- Is there going to be an interface or splash page that you have to go through to get onto the internet? Will there be commercials or ads? I guess the basic question is since this is potentially a free service how is MichTel going to make this profitable for them? Are they going to be selling ad space, popups, etc.?

Oakland County Response: Everyone will access the network via a captive portal and directed link advertising on the captive portal will be a revenue source for MichTel. Popups will not be allowed on the portal.

Also on the wireless website www.wirelessoakland.com on page 12 of the Public Sector Summit Presentation is the following statement. 'Access provided via standard "splash screen" that allows private partners to sell advertising and or fee services.

This is the same, as you would find on any other fee based hot spot. When you're a captive audience you're going to see a splash page and probably advertising.

I also did some more research on Eric's question regarding the cost of the project. In the Interlocal Agreement section 4.2 – 'There shall be no costs to the Municipality stemming from this Agreement, unless otherwise agreed to in writing by the Municipality. Also, Section 6.1 – 'Except as otherwise provided in this Agreement, the installation, implementation, operation, and maintenance of the wireless internet service shall be at the sole cost, expense, and risk of the Contractor.'

My recommendation would be to approve this resolution for a number of reasons. This initiative will provide basic internet service for a segment of our population that does not currently have or can not afford internet service. I believe this will be a benefit to businesses, residents and visitors to our community. It will give them the ability to communicate with their office; do research while away from the office, home or school or just plain old browse the internet. Most importantly this is a service that we can provide to the entire community at no cost to the city – it is up to the individual person to decide if they want to use the service or not.