

Internet Service Provider Contracts

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Overview

Goal of Presentation

Provide basic information on Internet Service Provider (ISP) contracts so that a library can negotiate the best possible deal.

Agenda

- Internet Basics Overview
- Understand Internet Service Contracts and Your Bill
- Use Measurement to Make Good Decisions
- Find providers in your service area.
- Negotiate for Service
- Questions & Answers



About Christopher Alberts

- **Started at Illinois Bell Communications 1988**
 - Project Coordinator
 - Comiskey Park (US Cellular Field)
- **Wisconsin Bell Communications/Ameritech 1991**
 - Sr. Project Manager, Design Engineer
 - DWD ACD, State Capitol ISDN
 - City of Chicago E911 System
- **MCA Network Consultants, LLC 1998**
 - BadgerNet
 - Wisconsin libraries
 - Peninsula Library System (CA)
 - American Library Association (ALA)



Changing World of the Internet Access

Internet use is increasing

- Worldwide more people are connected
- More uses of the Internet: job applications/interviews, government forms, education, communication, entertainment, library staff functions
- More consumers own mobile devices
- There are increased expectations for access with mobile devices



What is Bandwidth?

Bandwidth describes the capacity of an Internet connection.
 Bandwidth speed is measured in **bits** of data transmitted **per second**

- Kilobit (Kbps)
- Megabit (Mbps)
- Gigabit (Gbps)

Your contract will outline how much bandwidth your ISP agrees to provide, and how much you agree to pay for the bandwidth

Example



Water and data both flow

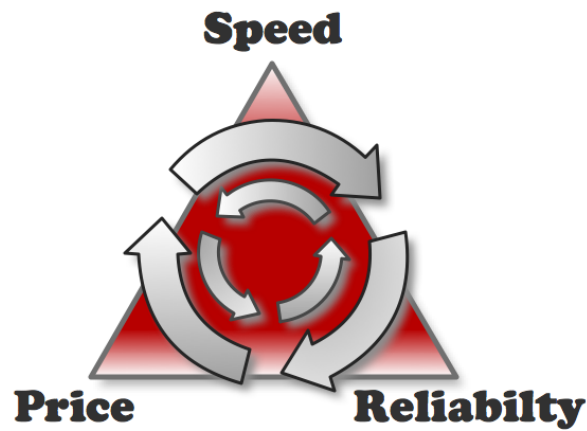


Internet Connection Types

Connection Medium	Service	Typical Speeds
Copper (Twisted pair or coaxial cable)	T1 - private line	1.5 Mbps
	DSL	256 Kbps – 30 Mbps
	Cable modem	256 Kbps – 105 Mbps
Wireless	Cellular	64 Kbps – 500 Mbps
	Wi-Fi	54 Mbps – 400 Mbps
	Satellite	1 Mbps – 1 Gbps
	Microwave	1 Mbps – 37 Mbps
Fiber (High reliability)	Private line	1Mbps – 1 Tbps (Terabits = Trillions)



Decisions about Connectivity – Pick 2



A Step by Step Process

- Step 1:** What do you have?
- Step 2:** How much bandwidth do you need?
- Step 3:** Who are the possible providers?
- Step 4:** Contracts
- Step 5:** Negotiation

Step 1: What do you have?

Who is your current Internet service provider?

How much bandwidth? (10 Mbps) or Download and Upload speeds (10 Mbps download/ 2 Mbps upload)

Speedtest <http://speedtest.charter.com/>

Does your ISP provide anything else?

- Email
- Filtering
- IP addresses

How much do you pay? (MRC)

*How do you know the answer to these questions?
(Hint: It's in your contract or service agreement)*



Understand your Statement/Bill

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Account: Christopher Alberts
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Contact Us
visit us at charter.com or call
1-888-GET-CHARTER (1-888-438-2427)
803-212-4039 / 251-228-2114 / 800-871-8222

Charge Details		Billing Information	
Previous Balance	10/23	142.43	
Payment - Thank You		-142.43	
Payments received after 10/25/14 will appear on your next bill.			
Adjustments			
CHARTER_BUNDLE_DISCOUNT	10/25	-10.00	
Adjustments Total			-10.00
Remaining Balance			-10.00
Service from 11/03/14 through 12/02/14			
Charter TV®			
Digital Home Includes:			
Basic, Expanded, Digital Receiver & Interactive Services		66.99	
Digital Receiver and Interactive Services		6.99	
HD Receiver Upgrade		5.00	
Charter TV® Total			\$79.98
Charter Internet®			
Internet Service		47.99	
Internet Modem Lease		9.00	
Charter Internet® Total			\$56.99
Taxes, Fees and Charges			

Tax and Fees - This statement reflects the current taxes and fees for your area (including sales, excise, user taxes, etc.). These taxes and fees may change without notice. Visit www.charter.com/taxesandfees for more information.

Past Due Fee / Late Fee Reminder - A late fee will be assessed for past due charges for service.

Video Closed Captioning Issues - For closed captioning concerns, call 888-GET-CHARTER (888-438-2427), or email PriorityEscalationTeam@charter.com. Send written complaints via US Mail to Executive Escalation Manager, 2 Digital Place, Simpsonville, SC 29681.

Insufficient Funds Payment Policy - Charter may charge an insufficient funds processing fee for all returned checks and bankcard charge-backs. If your check, bankcard (debit or credit) charge, or other instrument or electronic transfer transaction used to pay us is dishonored, refused or returned for any reason, we may electronically debit your account for the payment, plus an insufficient funds processing fee as set forth in your terms of service or on your Video Services rate card (up to the amount allowable by law and any applicable sales tax). Your bank account may be debited as early as the same day payment is dishonored, refused or returned. If your bank account is not debited, the returned check amount (plus fees) must be replaced by cash, cashier's check or money order.

Interactive Guide Services - Provides access to the electronic program guide - to receive program information, perform efficient channel surfing, use parental controls and access to order Pay-Per-View & On Demand (where available).

Converter Rental - The rental agreement for customers with converter



Understanding Usage Needs

How much bandwidth do you need to support your community?

- Staff use and functions
- Public Access Computers
- Community use of Wi-Fi
- Education support (webinars, teleconferencing)
- Creation and uploading of content
- Library as a part of an emergency plan in your community

Are other services necessary from the provider?

- Email (webmail)
- Webhosting space
- IP addresses
- Filtering



Download Speeds

Internet connection speed in Mbps based on 1 computer connected

Connection speed (in Mbps)	WWW (320 KB)	(1 MB)	(4 MB)	(6 GB)
>50	.003 sec	.01 sec	.03 sec	8 min
24 - 50	.06 sec	.2 sec	.6 sec	16 min
10 - 24	.09 sec	.3 sec	1.3 sec	33 min
6 - 9	.3 sec	.8 sec	3.2 sec	1.5 hr
3 - 5	.4 sec	1.3 sec	5.3 sec	2.25 hr
1.5 - 2	.8 sec	2.7 sec	10.7 sec	4.5 hr
<1.5	3.2 sec	10.4 sec	41.7 sec	9 hr

However

The more computers per connection, the slower that connection becomes

3 Computers On One T1 1.544 Mbps = 512 Kbps
12 Computers On One T1 1.544 Mbps = 128 Kbps
30 Computers On One T1 1.544 Mbps = 56 Kbps

	WWW (320 KB)	(1 MB)	(4 MB)	(6 GB)
3 Computers	5 sec	15 sec	1 min	26 hr
12 Computers	20 sec	1 min	4 min	106 hr
30 Computers	45 sec	2.5 min	9.5 min	244 hr

iltants.

Step 2: How much do you need?

Assess your applications

How often do staff or patrons complain about connectivity?

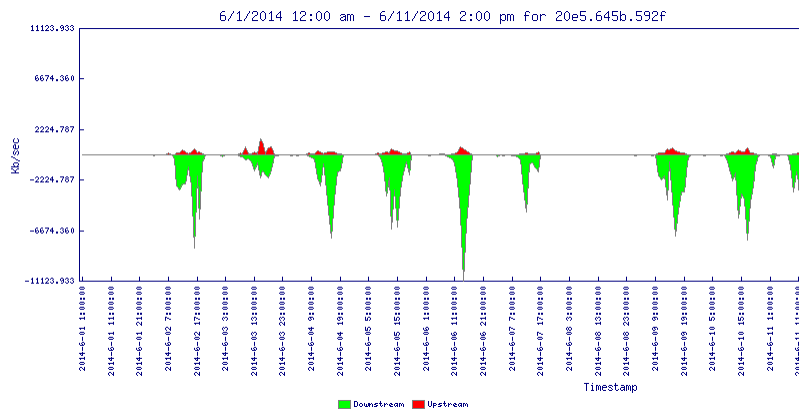
Review your usage!

1. Amount of data transferred/month
2. Bandwidth utilization

**You often need more than you can afford*

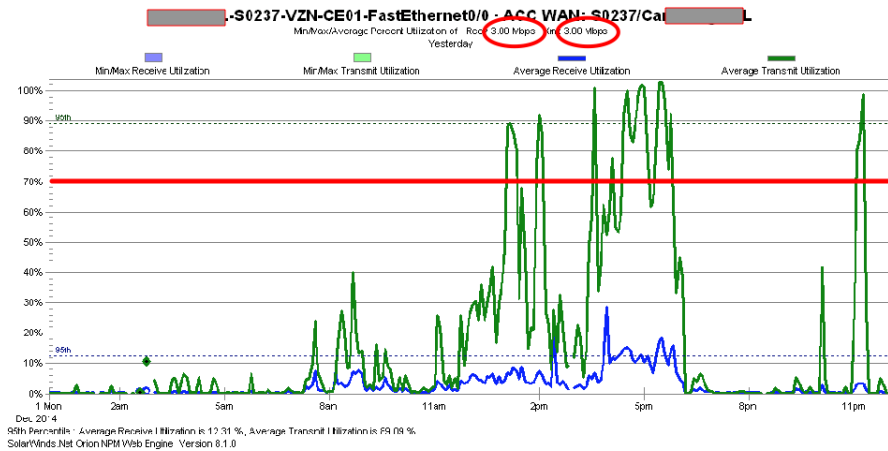


Bandwidth Utilization Chart



Bandwidth Utilization Chart:

Example BadgerNet Connected Library (Good data)



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Step 3: Who are the possible providers?

Service provider options include

1. Local Telephone Company
2. Local Cable TV operator
3. Satellite TV providers
4. Cellular providers
5. Alternate private providers (e.g. Sunesys)
6. Municipal, county, township government
7. Education networks/partnerships
8. Dark fiber options directly to your ISP

Try this tool to find a provider in PA:

<http://www.bakerbb.com/pabroadbandmapping/>

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Step 4: Contracts

The major categories for an ISP contract include

1. Monthly service fee (includes hardware)
2. Bandwidth, expressed in Mbps (down/up)
3. Term is the length of the contract
4. Performance clause (7x24x365)
5. Outage remediation (e.g. service credits)
6. Termination liability/clause
7. Restrictions on usage

*** Be sure to know what your monthly recurring cost are before signing*



Example of Monthly Service Fee, Bandwidth, Term

MONTHLY SERVICE FEES	
Data Services: Charter Business Bundle: No Bundle *	
Base Service: Network Miles:	\$745.00
MEF Service Types (if applicable): EPL	
Speed: 1 Gbps (Down/Up)	
CPE:	

MONTHLY SERVICE FEES	
Data Services: Charter Business Bundle: No Bundle *	
Base Service: Network Miles:	\$745.00
MEF Service Types (if applicable): EPL	
Speed: 1 Gbps (Down/Up)	
CPE:	

* If Customer has selected the Charter Business Bundle, the Special Offers, the Section 3(i) of the Commercial Terms of Service (for Charter Business Bundle) shall apply.

ONE-TIME CHARGES	
ONE-TIME CHARGES	\$5000.00

2. TOTAL FEES.

Total Monthly Service Fees of \$1490.00 are due upon receipt of the monthly invoice.

Total One-Time Charges of \$5000.00 are included in the first monthly invoice.

3. SERVICE PERIOD. The initial Service Period of this Service Order shall begin on the date installation is completed and shall continue for a period of 60 months. Upon expiration of the initial term, this Service Order shall automatically renew for successive one-month terms and Charter may then apply Charter's then-current Monthly Service Fees unless either party terminates this Service Order by giving thirty (30) days prior written notice to the other party before the expiration of the current term.



Performance, Remediation

13. PERFORMANCE. Vendor will use commercially reasonable efforts in keeping with normal industry standards to ensure that the Service is available to Customer 24 hours per day, seven days per week. It is possible, however, that there will be interruptions of Service. The Service may be unavailable from time-to-time either for scheduled or unscheduled maintenance, technical difficulties, or for other reasons beyond Vendor's reasonable control. ****Temporary service interruptions/outages for such reasons, as well as service interruptions/outages caused by Customer, its agents and employees, or by a Force Majeure Event, shall not constitute a failure by Vendor to perform its obligations under this Agreement, and Customer will not hold Vendor at fault for loss of Customer revenue or lost employee productivity due to Service outages.**



Performance, Remediation

7. SERVICE CREDITS. Customer shall be entitled to one (1) hour of service credit per Site per affected fiber optic-based Service (i.e. circuit) for each hour of Service Interruption if the interruption: (a) exceeds four (4) consecutive hours, (b) is not caused by Customer, or its agents, employees, licensees, or contractors, or a Force Majeure Event, (c) is not caused by Customer-provided equipment or facilities beyond the demarcation point, (d) is not caused by scheduled maintenance, and (e) a Trouble Ticket has been opened within 24 hours of the commencement of the interruption. Service Credits shall not apply to any period of time for which Vendor is not granted access, if necessary, to the applicable Customer Site. A "Service Interruption" is the continuous period of time during which a respective Service is not provided substantially as ordered to one or more Customer Sites. A Service Interruption commences when Vendor becomes aware of such Service Interruption of a Service and ends when the Service is operational and the Trouble Ticket is closed.

A Service Credit is calculated as follows:

* Service Credit = Per Hour Rate X (# of consecutive hours during Service interruption) * Per Hour Rate = Per Day Rate/twenty-four (24)

* Per Day Rate = Monthly Service Charge/thirty (30) days (30 = average days in one [1] month)

Any Service interruption that exceeds a consecutive period of twelve (12) hours shall be considered an outage for one (1) day.

Example:

If Customer is paying a \$10,000 Monthly Service Fee and a Service interruption of one (1) day (or 24 hours) occurs, the Service Credit shall be equal to \$333.33 and shall be applied on the billing cycle following the date Vendor makes its credit determination:

Per Day Rate = \$10,000/30 days = \$333.33 Per Hour Rate = \$333.33/24 hours = \$13.89

Service Credit = 1 day X \$333.33 = \$333.33 OR

24 hours X \$13.89 = \$333.33



Termination liability

(b) **Termination for Convenience.** Notwithstanding any other term or provision in this Agreement, Customer shall have the right to terminate a Service Order, or this Agreement in whole or part, at any time during the Service Period upon thirty (30) days prior written notice to Vendor, and subject to payment of all outstanding amounts due, any applicable Termination Charges, and the return of any Vendor Equipment.

If Termination is due to noncompliance by Customer or is elected/done by Customer for convenience, Customer must pay Vendor a Termination charge (a "Termination Charge"), which the parties recognize as liquidated damages. This Termination Charge shall be equal to 50% of the unpaid balance of the MSFs that would have been due throughout the remainder of the applicable Service Period plus 100% of (1) the outstanding balance of any and all OTCs plus (2) any and all previously waived OTCs.



Step 5: Negotiation

Recommendations for a good negotiation include

1. Talk to a person, preferably a manager.
2. Review in advance the possible contract terms.
Prepare your questions and concerns.
3. Disclose your options, if you have them
4. Ask for the deal you want and include the minimum requirements and options that are important to you.
5. Be flexible
6. Be sure you know how to get support if the service isn't working.



Summary

A good contract takes a little work

1. Gather as much information as possible
 - What you current have (Bandwidth, rates, contract term, etc.)
 - Determine what you need (measure if possible)
 - Find out who your service providers are and what they offer
 - Use the tips provided to negotiate the best deal!



Questions?

