

**WORK SESSION OF THE  
BRIGHAM CITY COUNCIL  
PRESENTATION BY BEEHIVE BROADBAND  
JUNE 7, 2012, 6:00 PM**

PRESENT:	Dennis Fife Ruth Jensen Brian Rex Tyler Vincent	Mayor Councilmember Councilmember Councilmember
ALSO PRESENT:	Mary Kate Christensen Paul Larsen Bruce Leonard Jason Roberts	City Recorder Economic Development Director City Administrator Finance Director
EXCUSED:	Scott Ericson Mark Thompson	Councilmember Councilmember

Mr. Leonard introduced Chuck McGowan, current owner of Beehive Broadband, and Art Brothers, the original owner of Beehive Telephone Company.

Mr. McGowan came forward and said their company started in 1963 when there was no telephone service in Grouse Creek. Mr. Brothers filed for a Certificate of Public Communications and was awarded the Grouse Creek area. He started serving telephone service in that area and has expanded to Arizona, half way across Nevada and part of Idaho.

They are now going to start offering their service as a provider on the UTOPIA network. This is an expensive undertaking. If they charge customers \$44.95 for internet service, a good share of this goes toward installation costs. In addition to this, they have to pay UTOPIA. Beehive has to pay UTOPIA \$23.00 per resident on their service. If it takes \$3,000-\$4,000 to be able to justify stationing a single service in Brigham City, it will take a large number of subscribers in order for them to permanently have service in Brigham City.

Mayor Fife expressed concern with the \$23.00 charge for UTOPIA because Brigham City paid for over half of the infrastructure. He did not feel Beehive should be charged the same as UTOPIA charges in other cities. Mr. Fisher from UTOPIA explained that this is the average cost for the 11 participating cities. He will look into this further, since Brigham City paid for over 60% of the fiber within the City.

Mr. McGowan said their internet has no surcharges, no bandwidth caps or limits.

They also provide telephone and television. Their telephone service is the same service as any other provider except that they have a fixed rate of \$19.95, including long distance.

The television channels are where they can differentiate themselves from the quality of other providers. They have their own IP TV head end. They have their own internet, telephone and television facilities. They do not compress the signals. Dish Network, DirectTV and others compress them based on what is popular and what is making the most money. They give their customers whatever they get from the network.

They also have excellent customer service with live people answering the calls.

Mr. Brian Scott, Beehive Chief Technical Officer, came forward and gave a demonstration of the TV service. Mr. McGowan said there will be technical hitches until it is fully rolled out. They typically get a few customers to volunteer to be beta testers for no charge. Once they get it all worked out they will start marketing the product.

The meeting adjourned at 6:47 PM.