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Our View

## UTOPIA's clinging existence

It's been a tough 15-plus years for UTOPIA. Several cities continue to be on the hook for fat fees for the fiber optic network. Sales have been miserable, advertising mediocre. Despite a goal of 153,000 Utah subscribers, the number is only about 20,000.

Brigham City pays \$435,000 a year on its UTOPIA bonds, Layton pays a much-higher sum of \$2 million a year.

Although UTOPIA, and city officials, try to maintain confidence, it's easy to see that alternative solutions are being considered. Brigham City has announced the formation of a 10-member Fiber Optics Task Force. According to Mayor Tyler Vincent, one of the options will be selling off the city's interest. Jason Roberts, Brigham City's finance director and its rep on UTOPIA's governing boards, adds that he musters a hope that "UTOPIA becomes profitable and the bonds are paid off with subscriber revenue instead of tax revenue."

That seems like the equivalent of hitting a seven-10 split in bowling consistently, though. According to Roberts, most every home in Brigham City could hook up to the fiber optics. But they don't. Roberts is not sure that Brigham City residents know that the fiber optics is an option. What does that say about UTOPIA's efforts in marketing?

A "rainmaker" for UTOPIA may be Macquarie Capital Group, an Australian investment firm that is negotiating with the ailing fiber optics network. Macquarie, however, wants a fat fee from UTOPIA's cities, including Layton and Brigham City, for a feasibility study before it makes a final agreement to infuse \$300 million into UTOPIA, continue the process without any more new debt to the cities, and eventually return ownership of UTOPIA to the cities in 20 or 30 years.

That's a nice deal but there's a lot of ifs still there. Recently, UTOPIA officials had to beg Utah legislative leaders to amend a UTOPIA-related bill that would have prevented imposing any new fees for new debt. If that had occurred, the Macquarie deal would have been killed.

UTOPIA is a sticky web, and there's lots of repenting at leisure as the cities try to untangle themselves.