

FOR IMMEDIATE RELEASE

May 26, 2017

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Correction

(Philadelphia, PA) The study entitled “Municipal Fiber in the United States: An Empirical Assessment of Financial Performance” released on May 24 contained three inaccuracies. The case-study portion of the report erroneously stated that the bonds used to finance the projects in Chattanooga, TN; Lafayette, LA; and Wilson, NC; call for balloon payments toward the end of their bond terms.

These statements were based on the repayment tables listed on the second page of the Official Statements filed with regulators in support of each bond. The more detailed discussions contained inside the Official Statements revealed that each bond includes mandatory prepayment provisions that require each project to set aside roughly equal amounts of money to retire this debt during the last four-to-five years of each bond’s term. The statements in the study characterizing these projects as requiring large balloon payments toward the end of the bond periods are thus inaccurate. The authors regret the error.

Please note that these errors do not alter the study’s financial analysis. Net present value based on each project’s audited financial statements continues to indicate that during the five-year period running from 2010 to 2014, Chattanooga generated positive cash flow of \$2.1 million, Lafayette generated negative cash flow of -\$36.1 million, and Wilson generated negative cash flow of -\$2.9 million. These projects must improve their performance above the levels achieved between 2010 and 2014 if they are to cover their project costs.

The full report is available to read online at <http://bit.ly/CTICmunifiber>.