

Starting a Broadband Project Right

Good feasibility studies help communities move forward with their broadband projects. Bad studies are worse than none at all.

By Trevor Jones / OTELCO

Every town considering a community broadband network is encouraged to conduct a feasibility study. A well-conceived, well-executed study can ascertain the community's interest in a network, measure the broadband coverage gap and provide tools to go to bid for the construction and operation of a community network. If done right, a feasibility study is an extremely useful roadmap for your path forward.

On the other hand, few things will waste more money and time than a poorly conducted feasibility study. If you're going to do one, do it right. If you can't afford to do it right, you'll be better off not doing a feasibility study.

Put simply, a feasibility study should define the need for broadband service in a town and provide a roadmap for resolving the problem. Not every feasibility study is the same, but some important common elements include

- **Gap analysis.** This determines where broadband service exists and where residents are unserved or underserved. It helps determine where community builds are needed and where they may not be required.
- **Market research.** This should tell you, with a specified level of confidence, how important broadband is to constituents, how likely they are to support a bond issue for the network, if necessary, and how likely they are to buy services at various price points.
- **High-level network design.** This should include, at the least, a complete inventory of buildings to be served, places where ISP equipment can be located and a layout of the paths fiber cables will follow. Other information, such as an inventory of utility poles, allows ISPs and contractors to provide accurate estimates of construction costs.
- **RFP.** This important document is the means of putting your vision for a community broadband network into play. It must provide enough detail for vendors to provide accurate bids on design, construction, network operation and provision of internet service (if you are aiming for a partnership model). If your RFP is not of sufficient quality, providers may elect not to bid, limiting your options.

AVOIDING A BAD FEASIBILITY STUDY

Hiring someone to do a feasibility study does not absolve a community of the responsibility for digging in and owning

the project. Some steps you can take to increase the quality of your study include the following:

- **Be skeptical of feasibility studies prepared by carriers and ISPs.** Some consultants in my home state have stopped pursuing opportunities for feasibility studies because ISPs have begun to offer feasibility studies at cut-rate prices. If an ISP bids on your study, be skeptical. A consultant's only product is the thought and research that goes into the study. As a result, consultants are motivated to ensure their studies' usefulness. By contrast, an ISP can treat a feasibility study as a loss leader. Conducting a study gives an ISP a considerable head start in the bidding process and little incentive to write a quality RFP. In fact, the ISP is actually incentivized to do shoddy work. If details are left out of the RFP and there isn't enough time to respond, it's unlikely the author of the study will have much competition when the bidding starts.
- **Do your homework.** What is the study provider's track record? Check some references to see how satisfied previous municipal customers are with their work. Determine whether previous projects received a robust number of competitive bids. Talk to local carriers to get their opinions of the provider's work. Ask to review past reports, and attempt to assess the quality of the work.
- **Specify accuracy levels.** If the study includes market research, stipulate the confidence level required for opinion/take rate estimates. Likewise, talk to prospective bidders to understand the detail they will need to prepare a bid, and set that out clearly in the scope of work for the study. For the gap analysis, be clear about definitions of unserved and underserved and how comprehensive the survey of existing providers should be.
- **Get a second opinion.** Before making final payment to the provider, ask another professional to review the work product, ask questions and assess its completeness. Let your provider know ahead of time you will conduct this kind of review. ❖

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