

# Funding Broadband Projects 3: Public- Private Partnerships

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## Public-Private Partnership (PP3) Definition

- A long-term agreement between a government and the private sector to share the risks and rewards of delivering an essential public service.

## Key Considerations

- Define your jurisdiction's objectives and priorities for P3s
- Understand the relevant federal, state, and local policy framework
- Create a roadmap: design a robust plan; build the business case; engage relevant stakeholders; and be transparent.

## PP3 Models

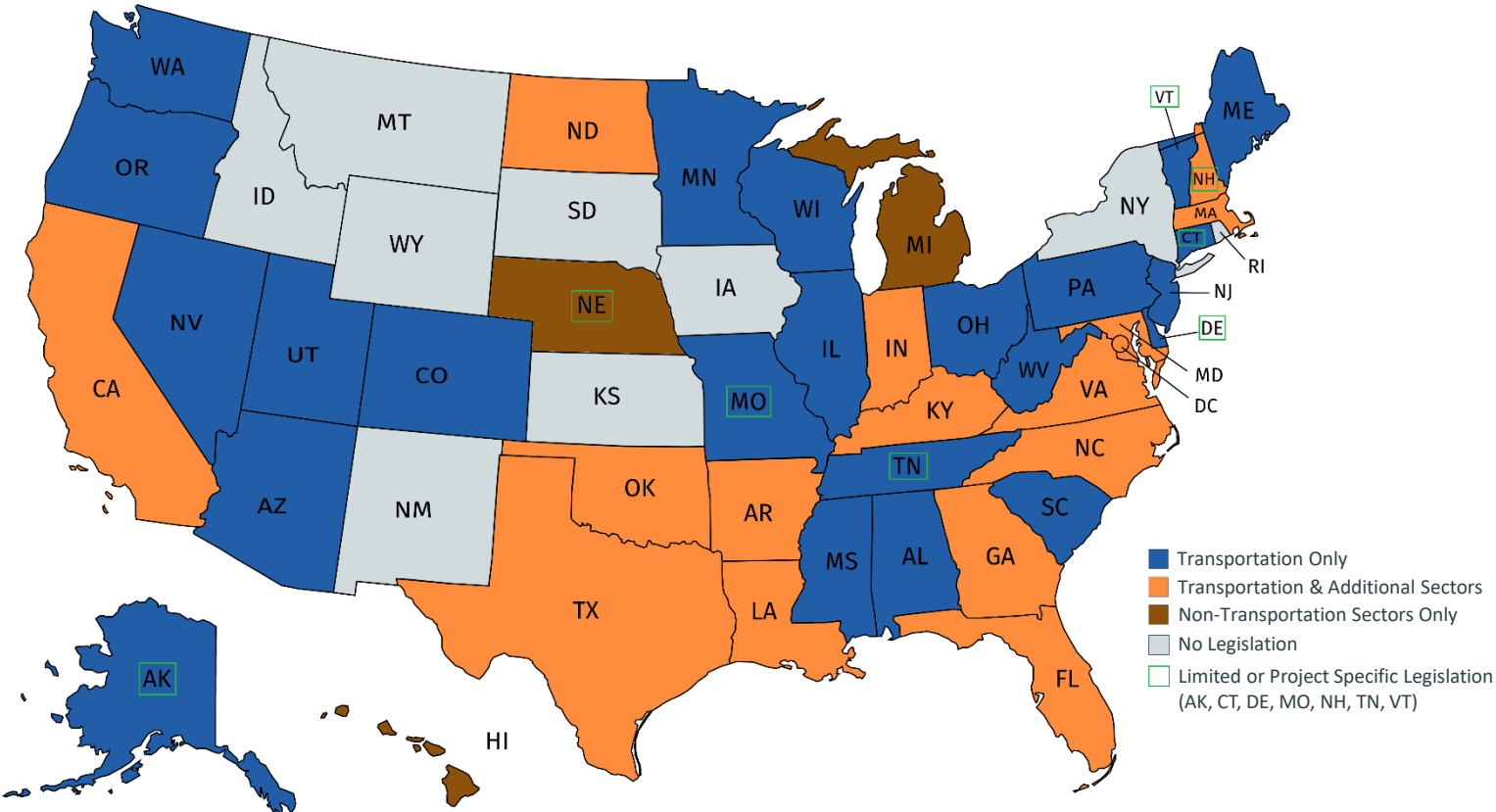
- Public facilitation of private investment
  - The lowest-risk model for the public sector
- Public funding and private execution
  - Includes considerable public financial risk
- Shared investment and risk
  - Shared risk model most attractive to public sector

# Trade-Offs Amongst PP3 Models

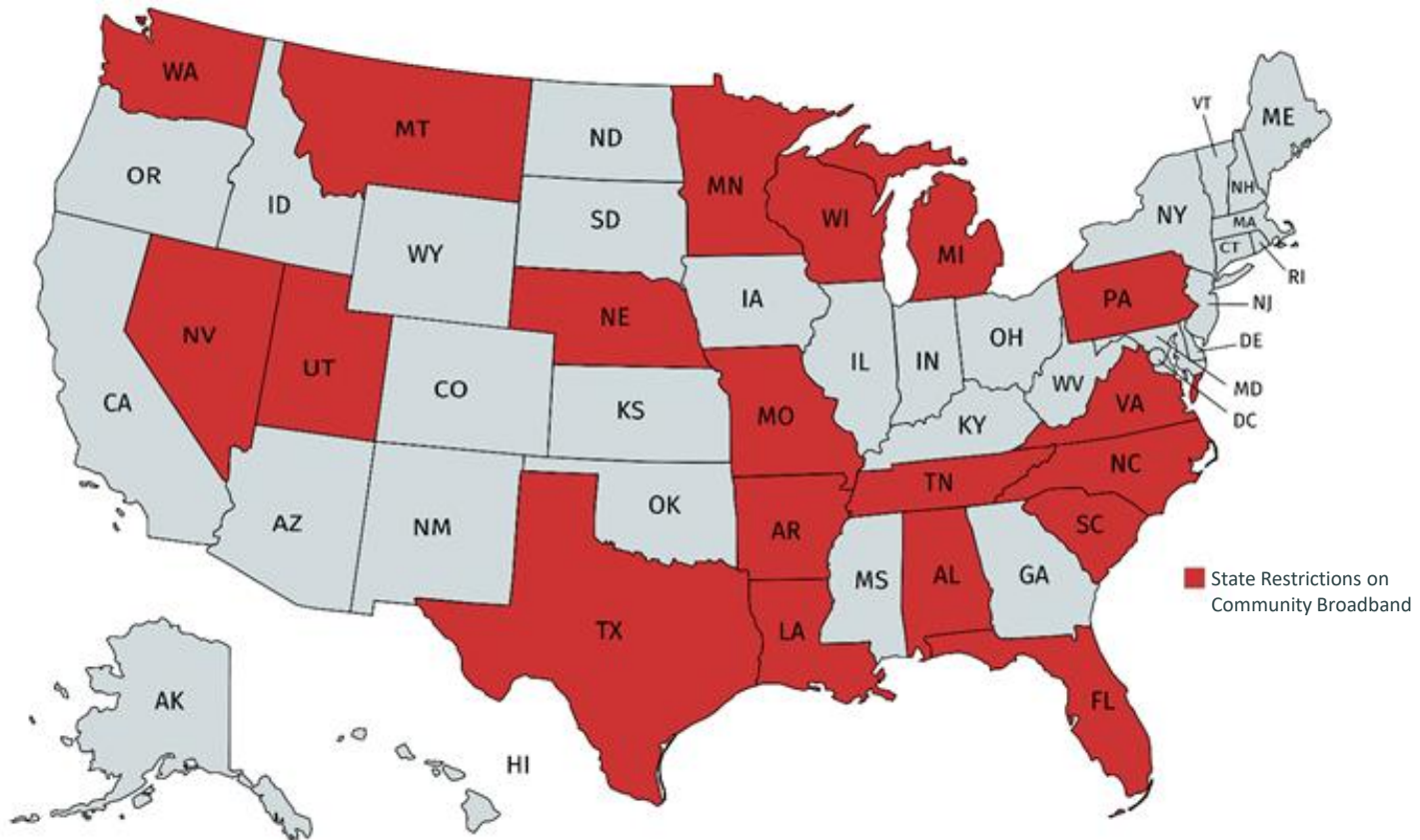


|                | <b>MODEL 1</b><br>PUBLIC FACILITATION,<br>PRIVATE INVESTMENT | <b>MODEL 2</b><br>PUBLIC FUNDING,<br>PRIVATE EXECUTION | <b>MODEL 3</b><br>SHARED INVESTMENT<br>& RISK |
|----------------|--|--|---|
| <b>RISK</b>    | LOW  | HIGH   | MODERATE                                      |
| <b>BENEFIT</b> | POTENTIAL<br>BUT NOT<br>ASSURED                              | HIGH   | HIGH  |
| <b>CONTROL</b> | NONE   | MODERATE   | MODERATE                                      |

# States Statutorily Authorizing P3s



# State Restrictions on Community Broadband



# Local Restrictions on Community Broadband



- Local charters
- Local ordinances
- Non-compete clauses in franchises, pole or conduit attachment
- Other agreements

- **Start by planning:** (1) establish a diverse project team; (2) set community goals; (3) define broadband network requirements; (4) perform an inventory of existing assets; (5) perform a feasibility study; and (6) solicit partnership interest
- **Build the business case and financial plan:** (1) identify potential funding (e.g., grants, bonds, low-interest rate loans); 2) encourage deployment enablers (e.g., “dig-once” policies)
- **Determine Responsibilities:** staff skillsets for (1) construction; (2) operations; and (3) adoption

### – CASE STUDIES –