

Finding the Right Business Model for Community Broadband

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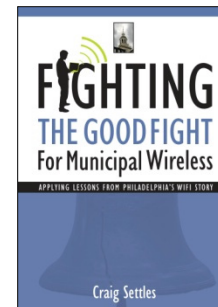
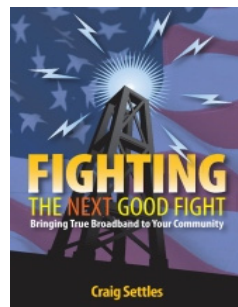
Twitter: cjsettles

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Background

- **Industry analyst, consultant**
- **“Tech Titan on Twitter”**
- **Develops broadband business strategy**
- **Author of books, reports, blog**



Objectives

- **Present range of options**
- **Place in context of broadband plan**
- **Move in right direction**



Remember

- **Model must reflect community's uniqueness**
- **Need defines model**
- **Business, financial models linked**
- **Test assumptions**



Polling Question #1

(use form on right side of screen >>>)

What *main* role do (or will) you play in your community's broadband efforts?

- Project champion
- Project leader
- Member of project team
- Provider/Vendor
- Elected official
- Involved stakeholder
- Other



Private Owned – Pros

- **Community has no investment**
- **Community has no risk**
- **Brings expertise**
- **Receive service as good as company**

Private Owned - Cons

- **Community has minimal influence**
- **Constituents may miss rewards**
- **Receive service as good as the company**



Public Owned – Pros

- **Community has control**
- **May reflect community needs**
- **More vendor/technology options**
- **More competition likely**

Public Owned - Cons

- **City must find investment**
- **Community at risk**
- **Greater mgmt responsibilities**
- **May not get competitors**



Public Private Partnership (PPP)

- **Many Possible arrangements**
- **Maximize upside, minimize downside**
- **Must do homework**



Muni-owned, Lease Back

- **Community minimizes risks, retains control**
- **Increases provider/vendor options for buildout**
- **Increase service variety**
- **Corpus Christi**



Private Owned, Muni as Anchor Tenant

- **More palatable to providers**
- **Viewed as even less risky**
- **Value rests in contract**



Mutual Ownership

- **Often nonprofit co-op**
- **Negotiate clear ground rules, fair financials**
- **Requires constant nurturing**



Public Infrastructure, Private Services

- **Community owns open-access network**
- **Any company can offer services**
- **Win-win on many levels**



Who Likes This

- **Ontario County, NY**
- **Cambria County**
- **UTOPIA**
- **Stimulus grant winners**



Polling Question #2

(use form on right side of screen >>>)

Which model(s) may be MOST beneficial to your community?

- Private sector owned, no public involvement
- Public/public utility owned, operated
- PPP in which community invests money
- Community contributes resources, no money to PPP
- Public owns, leases infrastructure to ISP
- Private owns, local government anchor tenant
- Community owns infrastructure, ISPs offer services



The Santa Monica Six

- **Owns fiber network**
- **Initially overhauled government communications**
- **Sold services to businesses**



The Santa Monica Six

- 1. Pooled department funding/operations**
- 2. Public Works participation**
- 3. Customer participation**



The Santa Monica Six

- 4. Grant participation**
- 5. Abandoned utilities**
- 6. Joint trench**



Assessing Options

- **What are constituent needs**
- **Tech requirements**
- **Financial, political realities**



Next Steps

- **Learn what's available**
- **Understand financial models**
- **Rely on needs analysis**



Q&A



Communities United for Broadband:

www.communitiesforbroadband.com/

At Broadband Properties Magazine:

www.munibroadband.com

Broadband Properties homepage: www.bbpmag.com

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Craig Settles delivers on-site workshops for communities and organizations that want to develop and execute effective broadband strategies.

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