Finding the Right Business Model for Community Broadband

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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
Craig Settles delivers on-site workshops for communities and organizations that want to develop and execute effective broadband strategies. E-mail for details: craig@successful.com

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