Choosing the Right Ownership Model

Communities should look at all options for improving their broadband access.

By Joel Mulder / *eX² Technology*

Broadband touches almost every aspect of people's lives. People bank online, shop online, pay bills online, do homework online and work from home online. Yet many of those living in small, rural communities do not have access to the same high-speed internet services as those living in larger metropolitan cities. To help alleviate this digital divide, an increasing number of underserved and unserved rural municipalities are taking responsibility for building the infrastructure necessary to bring high-speed broadband networks to their communities.

The town of Mount Washington sits in the far southwestern corner of Massachusetts. It is rural. It is a picturesque, peaceful spot where citizens and visitors enjoy the views and the tranquil quiet. As in many small communities, internet is generally unavailable, and cell service is sporadic at best. But though many other communities seek providers (or wait for incumbents) to build high-speed broadband networks in their towns, Mount Washington decided to take a different path. Its community leaders chose to build a town-owned broadband network delivering gigabit speeds to nearly 90 residences in the town of 145 people.

Mount Washington is not alone. For example, Ammon, Idaho, a community of about 14,000, constructed a city-owned network – and did so without raising taxes. The network revived the local economy, and first responders can use the network in case of a school emergency, earning Ammon the National Association of Telecommunications Officers and Advisors "2016 Community Broadband Project of the Year."

TAKING THE FIRST STEPS

Similar stories continue to surface as more and more communities become aware of the advantages of owning the fourth utility (broadband).

All too often, the first step a community takes when trying to improve its broadband connectivity is to seek a service provider or ask the incumbent provider(s) when fiber and high-speed services will come. Usually, the community accepts the incumbent's assurance that these services will come soon, but after a time, the realization hits that soon may mean never.

MAKING DECISIONS

Communities do have choices. Some try to entice new, unsubsidized broadband entrants with the attractiveness of their communities by issuing requests for information (RFIs) seeking partnerships with prospective service providers that would work with their communities to provide fiber-to-the-home connectivity. These RFIs do not require community ownership of the infrastructure or capital investment by the communities. Instead, the communities aid service providers with permitting and access to community-owned assets.

Universal access to advanced broadband services is imperative for economic growth, education, health care, quality of life and

public safety. But what happens when a community is not successful in its discussions with incumbents about upgrading the existing infrastructure? What if a community has already been through an unsuccessful RFI process trying to find a service provider that will build out a new infrastructure?

A community may consider owning the infrastructure network and providing services directly or choose one or more internet service providers to do so on an open-access basis. There are many benefits to owning the infrastructure. It maximizes the community's ability to

- Create a controllable asset that will serve the needs of the community
- Lower the capital cost of entry for service providers
- Improve the way government communicates with its citizens and businesses
- Eliminate the cost the community pays for leased communications services
- Enable smart-city applications
- Promote open access, ensuring the most competitive broadband pricing for the community
- Provide assurance to its citizens and businesses that it is a progressive community
- Show prospective businesses that affordable connectivity is achievable and available
- Help existing businesses be more competitive with higher-speed connectivity
- Keep rights-of-way clear for the community by offering existing infrastructure to new entrants
- Invite competition for services to the community, including existing providers
- Ensure equal access to broadband services for the entire community.

ADVICE FOR COMMUNITY BROADBAND PROJECTS

Perhaps the best advice is to reach out and visit with other communities that have recently completed community-owned broadband infrastructure projects and learn from their successes and failures. Those findings can be incorporated into a business model that meets the unique needs of the community.

The following are a few industry best practices that will help increase project success:

- Find a broadband champion and/or create a group that can serve as a voice to the community and as a catalyst bringing together community stakeholders.
- Use community relationships to build a solid base of support. Citizens, businesses, educational institutions, libraries, health care providers and public safety organizations have vested interests in improving the quality of life in the community.
- Look for a partner to provide a turnkey solution. This can potentially provide numerous benefits, including significant cost savings, timely project completion and few administrative burdens.
- Consider using the infrastructure as a revenue-generating asset. Carriers or other entities may have interest in securing the rights to dark fiber or duct on a network, which can offset build costs.

The first step is the easiest. Start educating the public about the many benefits of broadband access. Unlocking your community's broadband potential can make the difference between a smart, connected community and one that is passed by. ❖

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