Municipal Broadband Study
BROADBAND BUSINESS MODELS

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Agenda

Background: The Broadband Business Model Factors

The Business Models:

1. Public Policy Only
2. Institutional/Public Service
3. Infrastructure Only
4. Open Access/Wholesale
5. Commercial Broadband
6. Full Retail/Residential Broadband

Broadband Business Models Compared: Balancing Risk and Reward
Broadband Business Model Factors

- Competitive Environment
- Community Needs
- Organizational Capabilities
- Operational Requirements
- Financial & Funding Capabilities
- Risk & Reward Tolerance

Public Policy Only

- City uses policy tools and standards to streamline construction and reduce the cost of building infrastructure.
- Low risk/reward option to support incentives to accelerate broadband investment
  - No “quick wins” to improve services.
- Examples:
  - Santa Cruz County, CA
  - Knoxville, TN
  - Monroe County, NY
Institutional/Public Service

- City financed or shared financing with other public organizations
  - Dark fiber or data services to community organizations
  - Sometimes retail services provided by the city to these organizations
- Improves the cost, access and collaboration among public organizations
  - Little to no competition with private broadband providers
- Examples:
  - Seminole County, FL
  - Leesburg, FL
  - Columbia County, GA

Infrastructure Only

- City provides conduit and/or dark fiber to businesses, broadband providers, and other public organizations
  - City does not provide retail services
- Improves the cost and availability of fiber infrastructure to providers, businesses, and community organizations, not generally used for residential
- Examples:
  - Santa Monica, CA
  - Palo Alto, CA
  - Lakeland, FL
Open Access/Wholesale

- City financed and operated
  - Wholesale services only to retail broadband providers
  - Retail providers deliver Internet, telephone, and other services
- Enables more competition and choice
  - Requires active marketing to providers
- Examples:
  - Palm Coast, FL
  - Danville, VA
  - Provo, UT

Commercial Broadband

- City financed and operated
  - Fiber services, Internet and often telephone and data services to businesses
- Enables the city to directly improve services to businesses
  - Requires competing with incumbent providers and operating the network.
- Examples:
  - Fort Pierce, FL
  - Hudson, OH
Full Retail/Residential Broadband

- City financed and operated
  - Fiber and sometimes cable services
  - Internet and often television and telephone to residents and businesses
- Enables the city to provide major improvements to residential services
  - Requires substantial investment and operational capabilities
- Examples:
  - Bristol, VA
  - Morristown, TN
  - Ashland, OR

Broadband Business Models Compared

- Public-Private Partnership (P3) zone
- Full Retail Broadband Services
- Business-only Retail Broadband Services
- Open Access/Wholesale Transport Services
- Public Sector Connectivity Services
- Infrastructure-only Provider
- Public Policy

Risk-Reward Continuum

Active Models

Passive Models

Public Investment

Public Control