

City of Bellingham, WA

# Municipal Broadband Study

## BROADBAND BUSINESS MODELS

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# Agenda


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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



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## Broadband Business Model Factors

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## Public Policy Only

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- ▶ 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

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## Institutional/Public Service

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- ▶ 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

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- ▶ 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

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- ▶ 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

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- ▶ 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

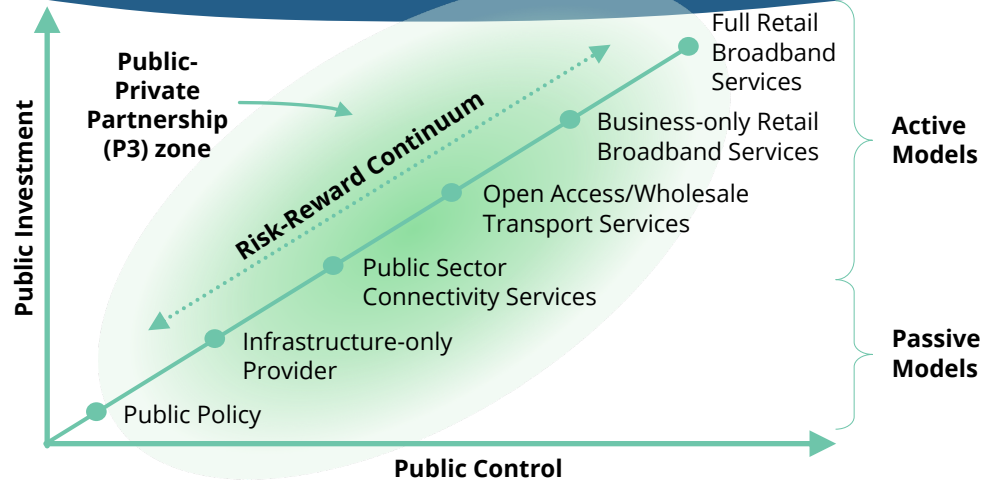
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- ▶ City financed and operated
  - Fiber and sometimes cable services
  - Internet and often television and telephone to residents and businesses
- ▶ Enables the city to provide major improvements to residential services
  - Requires substantial investment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

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## Broadband Business Models Compared

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# Feedback or Questions?

## THANK YOU FOR YOUR TIME AND INPUT!

The logo for Magellan Advisors, featuring the word "Magellan" in a bold, sans-serif font above the word "ADVISORS" in a smaller, all-caps sans-serif font, with a small star icon to the right.