


Infrastructure Deployment Strategies and Implications



Muni Broadband: Opportunity or Pitfall?

CITI
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Who is PTI?

- 34 years of service to local government
- Formed by NLC, ICMA, and NACo
- Is people driven on technology matters
- Has the best & brightest technology leaders
- Represents elected, appointed, and career government officials
- Has a very active governance structure
- Reaches the "right" local government level
- Active network of practitioners
- Dozens of technology services to local government

Municipalities/ Communities Bringing Broadband to their Citizens

- Why?**
 - What are the forces?
- How?**
 - What is the technology?
- Where?**
 - Where are these systems deployed?
- Who?**
 - Who are the major providers?



Did You Know?


- Most community systems are not using general fund taxpayer money
- Nearly 95% of muni deployments are utilizing private enterprise talent & equipment
- Most community broadband system would welcome private ownership at some point
- Many communities have had experiences with broken promises regarding services & coverage areas

MUNI Rationale

- Economic Development
 - Keep Business & Citizens happy (Quality of Life)
 - Attract new business & people
- Lessening the Digital Divide
- Powerful internal management functionality
- Visible extension of E-Government
 - Improved citizen connectivity
 - Greater citizen communications
- Competition will drive down prices & improve services, offerings, choices
- Provide broadband coverage where none exists

The Cable & Phone Companies Rationale ...

- Leave it to private enterprise
- Government has no business being in business
- Why should telecom companies invest millions when governments will become competitors?
- It's against the law- and if isn't we will pass laws (States, possibly Federal)
- Taxpayer money should not be used
- Reduces incentives to build out costly systems.



The Industry "Over-reach"...

- Heavy-handed politics
- Moved debate to local "rights" vs. state "rights"
- Spread unfortunate falsehoods
- Has thrown all broadband into one argument (does not consider rural and disadvantaged distinctions)

Local Officials Ask....

1. How important is broadband, availability, penetration and pricing to my city or community?
2. Is Broadband available?
3. Where is it available?
4. Is it "Affordable"?
5. What services are associated with it?
6. By doing nothing what will be the consequences?
7. What can local leaders do for their city or community?

Considerations

- Who decides what is the appropriate role for local government?
- What does Public/Private collaboration really mean?
- Where will the funding come from?
- What technology is best?
- Will my choice become obsolete any time soon?



Community Broadband

Monopoly/Duopoly

↓

Competition

↓

Lower Pricing/Greater Content
Improved Service,
Coverage, more...



Community Broadband

Consolidation

↓

Feature Rich/Less Choices

↓

New Technologies/
Applications



Local Government Leadership Options

- Public/private partnerships
- Franchise relationships
- Financing (Bonds)
- Collaboration
- Pilot Projects (public areas, parks, etc.)
- Incentives (tax, zoning, etc.)
- Local government as prime customer
- Rights of Way
- Prime Purchaser



Local Government Leadership Options

- E-Rate Funding
- Regional Coordination
- Economic Development Grants
- Seed Monies
- RUS Funds
 - Or.....

Wait for the phone or cable company to develop a system and decide content, pricing, and availability!

Rationale...

- Is there a need for multiple providers?
 - Necessary Evil
 - Varies as to locality
- Is "infrastructure overbuild" a real concern/issue?
 - May play out like road & highway building, i.e., federal interstate program where there is unlimited demand



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