AGENDA

1. Technology and context
2. Overview of public-private collaboration
3. Models for broadband public-private collaboration
   Facilitation
   Grantmaking
   Investment
ECONOMIC FOUNDATIONS

Broadband is the economic platform of the 21st century
THIS IS A REMARKABLE MOMENT IN BROADBAND

Both public and private sectors are engaged in broadband investment as never before

- Total federal and state funding likely to be approximately $100 billion over 10 years
  - CARES Act
  - Rescue Plan
  - IIJA
  - State appropriations
  - Universal Service Fund (RDOF)

- Private capital likely to match public
  - Mobile wireless investment
  - Fiber-to-the-Premises

Federal funds will flow to rural areas and private funds to high return areas
OVERVIEW OF PUBLIC-PRIVATE COLLABORATION
THE BENEFITS OF A PARTNERSHIP STRATEGY

Shape
- Shape broadband investment in your community
- Use public effort to attract private capital to areas it wouldn’t otherwise go
- Leverage private capabilities while protecting public policy goals

Increase
- Increase competitiveness of private grant applications
- Public-private collaboration favored in many federal and state grant programs

Mitigate
- Mitigate city/town/county risk
- Efficiently distribute responsibility, risk, and effort
Expand community options

Allow for creative broadband efforts by urban and suburban communities, not only rural

Enable communities with demographics or geographies that don’t currently attract private capital to shift that calculus—changing the math on private investment
PARTNERSHIPS ARE INCREASINGLY OF INTEREST TO A WIDE RANGE OF PRIVATE COMPANIES

Competitive ISPs
Incumbents
Private equity and infrastructure investors
P3 investors considering expanding to new asset classes
Electric cooperatives
PARTNERSHIP GOALS

Best-in-class broadband infrastructure

Filling geographic gaps based on rurality/density

Filling geographic gaps based on demographics
CONSIDERATIONS
FOR YOUR
PARTNERSHIP

Best-in-class infrastructure, secured through performance & design requirements → Community-wide service

Benchmark pricing → Benchmark technology & upgrades

Customer service → Oversight and enforcement
## Broadband Grants and Public-Private Collaboration

A three-part framework for analysis

<table>
<thead>
<tr>
<th>Goals of the community’s initiative</th>
<th>Leverage private execution capabilities</th>
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<td></td>
<td>Share risk</td>
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<td>Improve grant competitiveness</td>
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<td>Goals of the potential private partners</td>
<td>Secure community facilitation with process and execution</td>
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<td>Access public assets</td>
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<td>Improve grant competitiveness</td>
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<td>Goals of the granting agency</td>
<td>Support mission</td>
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<td>Reduce risk</td>
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MODELS FOR COLLABORATION
## SUMMARY OF PARTNERSHIP STRATEGIES

<table>
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<tr>
<th>Partnership Model</th>
<th>Description</th>
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<tbody>
<tr>
<td>Facilitation model</td>
<td>The community makes efforts to make investment more attractive for companies</td>
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<td>This can be by lowering costs as well as by increasing revenues</td>
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<tr>
<td>Grant model</td>
<td>The community makes a grant to the company</td>
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<td></td>
<td>The company makes enforceable commitments to build infrastructure and deliver service</td>
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<tr>
<td>Investment model</td>
<td>Private partner designs and builds with public funds</td>
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<td>Private partner operates and provides service to the public</td>
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</table>
MODEL 1 STRATEGIES

Facilitation involves reducing costs and increasing revenues

Streamline processes & share data
• Permitting
• Inspections
• Access to assets
  • Fiber
  • Conduit
  • Real estate
  • Vertical assets for placement of wireless facilities
• Document and share data regarding your processes and your assets

Increase adoption
• Outreach campaign to those who do not subscribe
• Help eligible households access federal subsidy programs
  • Emergency Broadband Benefit
  • Affordable Connectivity Program
  • Lifeline
• Requires community-specific strategy
  • No one knows your community better than you do

Strategy and goal
• Attracting private investment in broadband is often a numbers game
• Investors will deploy in areas where return is greatest, i.e., where costs are lowest relative to revenues
• Your community has the potential to reduce ISP costs by sharing data and assets and by ensuring efficient processes
• Your community has the potential to increase ISP revenues by helping eligible households get federal subsidy
MODEL 2 STRATEGIES

Grantmaking involves bridging the private sector business case

Sources of grants
• Local funds
• Federal funds
  • Dept. of the Treasury has generally approved use of ARPA Fiscal Recovery funds for broadband, so long as the investment covers some locations where broadband does not currently exist

Alternative grant strategies
• Use of traditional economic development incentives function as effective grants
• Foregone revenues do the same

Strategy and goal
• In this approach, the community makes a grant to a private internet service provider in return for commitments to deploy broadband
• Once again, we are playing a numbers game
• Investors deploy in areas where return is greatest
• Your community has the potential to make investment more attractive through grants
• It’s critical that you secure enforceable promises in return
MODEL 3 STRATEGIES

Investment involves building your own assets and then making them available to your private partner

Sources of capital
• Local funds
• Federal funds
  • Dept. of the Treasury has generally approved use of ARPA Fiscal Recovery funds for broadband, so long as the investment covers some locations where broadband does not currently exist

Private sector interest
• This model can be attractive to smaller providers who lack capital
• Larger companies (such as Google Fiber in Huntsville) have also embraced this model

Strategy and goal
• In this approach, the community funds construction of broadband infrastructure that it will own, but will be operated in the long term by a private partner
• As with any model, it’s critical that you secure enforceable promises in return for access to your assets
Each model for partnership offers different levels of benefit and risk

<table>
<thead>
<tr>
<th>Community strategy</th>
<th>Level of effort</th>
<th>Potential impact</th>
<th>Potential risk</th>
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<tbody>
<tr>
<td>Facilitation</td>
<td>high</td>
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<tr>
<td>Grant</td>
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<td>high</td>
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<tr>
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