



CONSIDERATIONS BEFORE INITIATING A FEASIBILITY STUDY

Support for broadband deployment in rural America continues to grow as evidenced by public meeting notices or a quick scan of the internet, Twitter and other social media. And according to the FCC, while public and private sector initiatives are growing in number, there still lacks enough advancement in closing the gap to conclude broadband is being deployed to all Americans in a reasonable and timely fashion.

Often the first step a municipality, county, telecommunications company or electric cooperative will turn to when considering further deployment of broadband in their communities is a feasibility study. The basics of a feasibility study is to determine projected cost and revenue. Drilling down to more detail, they can include market statistics, financial, organizational or political components, and competitive analysis.

But let's back up. If broadband is new to your board or leadership team, there are two steps to consider taking before hiring a professional firm to do your feasibility study:

- 1) Education sessions
- 2) Strategic discussions

Start with educational sessions for your board of directors and key staff enabling your key decision-makers with the opportunity to learn terminology, understand technology options, better comprehend political and historic implications, and become familiar with funding options with opportunity to freely ask questions.

Follow up educational sessions with strategic discussions led by experts with experience in multiple broadband deployments for a variety of clients. Before you request a feasibility study, determining the ultimate goal of the initiative will keep both the client and the firm conducting the study aligned and focused.

There are many common questions we hear in education and strategy sessions. Some questions have straight-forward answers. But most cannot be answered without discussing your unique community, geography, demographics and surrounding political factors. Several of the following questions relate to

electric cooperatives. If you are a municipality, you will have other questions in addition to these. It's the facilitator's goal and responsibility to flush out additional questions and concerns.

- We are waiting to see if it takes off or not. What are the risks of being a late adapter?
- I really don't know much about the fiber business. Can I get a primer on what it really means to build and operate a fiber network and sell fiber-based products?
- How do I make this work in areas where the meter density is less than five meters per mile and shrinking?
- Am I being responsible to the membership with this large capital investment?
- I've heard there is money available (grants). How do we access that money?



- Do I really need fiber? Won't wireless meet our needs at a much reduced cost?
- I always hear about the opportunities for being in the fiber business, but what are the risks?
- What consideration is given to the existing electrical distribution system in order to accommodate communication attachments?
- Is there a business model that lends itself well to adding broadband to our portfolio of services?
- How can we best leverage our electric assets toward getting into the fiber business?

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- Are there ways in which we can leverage both electric services and FTTP services toward getting more into services within the home? E.g., smart home services, security services, energy efficiency services, etc.
- I've heard this is a very costly business to enter. How do I figure out how much it would cost to build a fiber network?
- What funding sources are available for funding a fiber network?
- How does fiber help me better manage the electrical load in my system, do I need to be able to gather data all the way to the members electric meter?
- Compared to electric system infrastructure, some of the capital investments required for broadband seem to have a rapid cycle of obsolescence. Will we have to continually upgrade expensive equipment to pace technology?
- I don't really want to be the retail provider of telecom services. How hard is it to find an operating partner to help with this business?
- How would I go about the process of finding and negotiating with a partner?
- I've heard there are a lot of regulations on telecom companies. How concerned should I be about all of the regulations?

Strategic discussions better position your organization to receive a feasibility study completed with your specific goals and unique circumstances in mind and is not a one-size-fits-all approach. Your study should include more than one scenario. For example, it should include multiple design or methodology options and it should include multiple finance and funding options.

The feasibility study will provide cost estimates, identify revenue streams, outline an implementation plan and examine financing options to implement each of the options identified in the study. Most often, in the feasibility study we help conduct a survey to learn the constituents' interest in purchasing broadband services.

Interview a firm whose depth and breadth of experience is not singular in nature. Fiber based Broadband service is not a recent technology advancement having been deployed since the early 2000's. Since then, Finley Engineering has designed and built out thousands of miles of fiber over hundreds of systems, working in small towns to big cities, on flat terrain to mountainous geography, for municipalities, counties, cooperatives, telecom organizations, and the Federal Government.

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