

# GIGABIT CITIES MODELS AND STUDIES

## COSTQUEST'S GIGABIT BROADBAND MODEL



### Is Gigabit Broadband economically feasible in your city?

Almost any broadband survey worth its cross tabs will suggest that our future is going to be fast. While the Google Fiber project in Kansas City claims most of the headlines there are a growing number of cities and towns across the country laying claim to being the next Gigabit City. What sort of network is enabling that kind of speed? How much does something like that cost? What market conditions make it work – or not? Could we do that?

### Potential Uses:

-To develop an understanding of the economic feasibility of a gigabit speed network – City-wide or otherwise.

-To support advocacy to policy makers and stakeholders on the value of such a network.

-To manage procurement of a private partner to deploy or manage the network and business.

-To manage architecture issues and other matters that may serve to expedite build-out.

-Neighborhood demographics, demand and economic data will help to effectively manage deployment and adoption.

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## Municipal Broadband Initiatives

There are a handful of dynamics that tend to drive these initiatives. These include economic development, government grants, social well-being, and more. The viability of the initiatives is dependent on population density, the defining demographics of that population (e.g., income, education, etc.), the actual physical environment the target customers live in (e.g., road layout and terrain), public financing, how a network could be deployed in that environment and the anticipated costs to acquire customers to name a few. CostQuest is uniquely equipped with models, data and industry expertise to help you consider these issues and evaluate the potential of a Gigabit City.

- The Gigabit Broadband Model estimates the costs and potential profitability and ultimately the viability of the network
- The underlying geospatial/mapping model determines an efficient routing and architecture of the network
- The underlying cost model's use of an extensive demand and demographic database provides the ability to understand potential take rates, costs and the revenue flows related to the network plan to understand the economics of each "fiber-hood"
- The Study looks at deployment costs and the costs to maintain the network

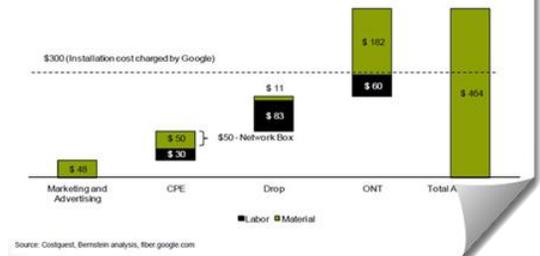
CostQuest models help integrate and test scenarios on how the network can be designed, what that network will cost to deploy and operate, and how different pricing plans are likely to play out across different market conditions.

CostQuest models are being used to develop and evaluate city-specific street-by-street network designs, consider terrain realities and evaluate the resulting economics using real-world demand and cost scenarios...including alternative market growth curves.

CostQuest models are being used to develop alternative network topologies including detailed equipment types, counts and capacities – including alternative fiber deployment strategies – required to meet the real-world served by the network. We also estimate deployment costs as well as anticipated ongoing operating costs which, when combined with customer and market data, facilitates the evaluation of various optional pricing plans.

### FTTH/Gigabit Cities

Cash Costs to Acquire and Connect a Broadband Access Customer Will be \$ 464  
Total Customer Acquisition Cost for Broadband Data Customer (\$)



With CostQuest's experienced analysis, the result of a Gigabit City modeling program helps stakeholders understand the relationship between income and demand and how overall market feasibility plays-out against any number of deployment strategies and related costs. Contact us to explore how CostQuest models and industry expertise can help you evaluate an existing or anticipated Gigabit City initiative.

