Evaluating Public-Private Collaboration Proposals

When considering any potential partner's proposal, communities should require:

1. **A showing of technology performance.** Even where there is promise to the technical model, network performance should be rigorously tested and a track record should be demonstrated. Absent this, communities should question whether the technical model entails uncertainty and risk that make the public spending risky. Vendor promises about wireless broadband should be rigorously tested, given the performance challenges of wireless as a broadband medium.

2. **A high likelihood of promised revenues.** Communities should rigorously test vendor representations about future revenues from the networks, which are frequently speculative and unrealistic. For example, revenue expectations for lower-income areas should be set at a reasonable level, in light of the price sensitivity of lower-income consumers. Rural revenue promises should be similarly scrutinized, as should commercial revenues in such areas as mobile backhaul. To the extent that the business case for community participation in the partnership anticipates commercial revenues, revenue projections should be based on scientific surveys and empirical data rather than on sheer speculation or wishful thinking.

3. **A strong technical, financial, and managerial track record.** A community financial commitment through a partnership inevitably entails some risk. To mitigate that risk, the community should ensure that its would-be partner has the demonstrated capacity to deliver. This might include submission of information on the partner's existing subscriber revenues, its financial statements, and other evidence of its ability to successfully build, operate, and maintain a viable broadband network.

4. **Enforceable commitments by the private partner to key public policy priorities.** In return for the financial commitments required of the community, the company should be required to make enforceable, contractual commitments to such local priorities as:

   - Equity in access, pricing, and service levels: The community might require its partner to commit to offering the same access to services, as well as the same services and pricing, to all residents and businesses passed by the new infrastructure.

   - Service affordability efforts: The community might require its partner to participate in federal broadband subsidy programs, and to enable qualified low-income consumers to receive those subsidies.