

# Closing the Digital Divide with Innovative Business Models



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# THE PROBLEM

CLOSING THE DIGITAL DIVIDE IS DIFFICULT & COMPLICATED



The economics  
of broadband  
build outs



Infrastructure  
Access



Access to  
specialized  
knowledge &  
skilled labor



Partnerships  
that share a  
common  
mission

# Innovative Project Approach Considerations

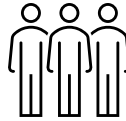
Broadband must be viewed as an essential utility combined with a vision & willingness to deliver it.



You can stockpile materials & equipment, but you cannot stockpile **labor**.



Micro partnerships at the local level can make or break a project. Diverse stakeholder coordination is a key to success.



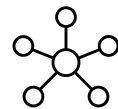
Macro partnerships in statewide consortiums are critical for the utility model economies of scale.



The utility model brings with it the mindset of the obligation to service with data as a utility versus the commercial cherry-picking approach of favoring density driven high income areas first.



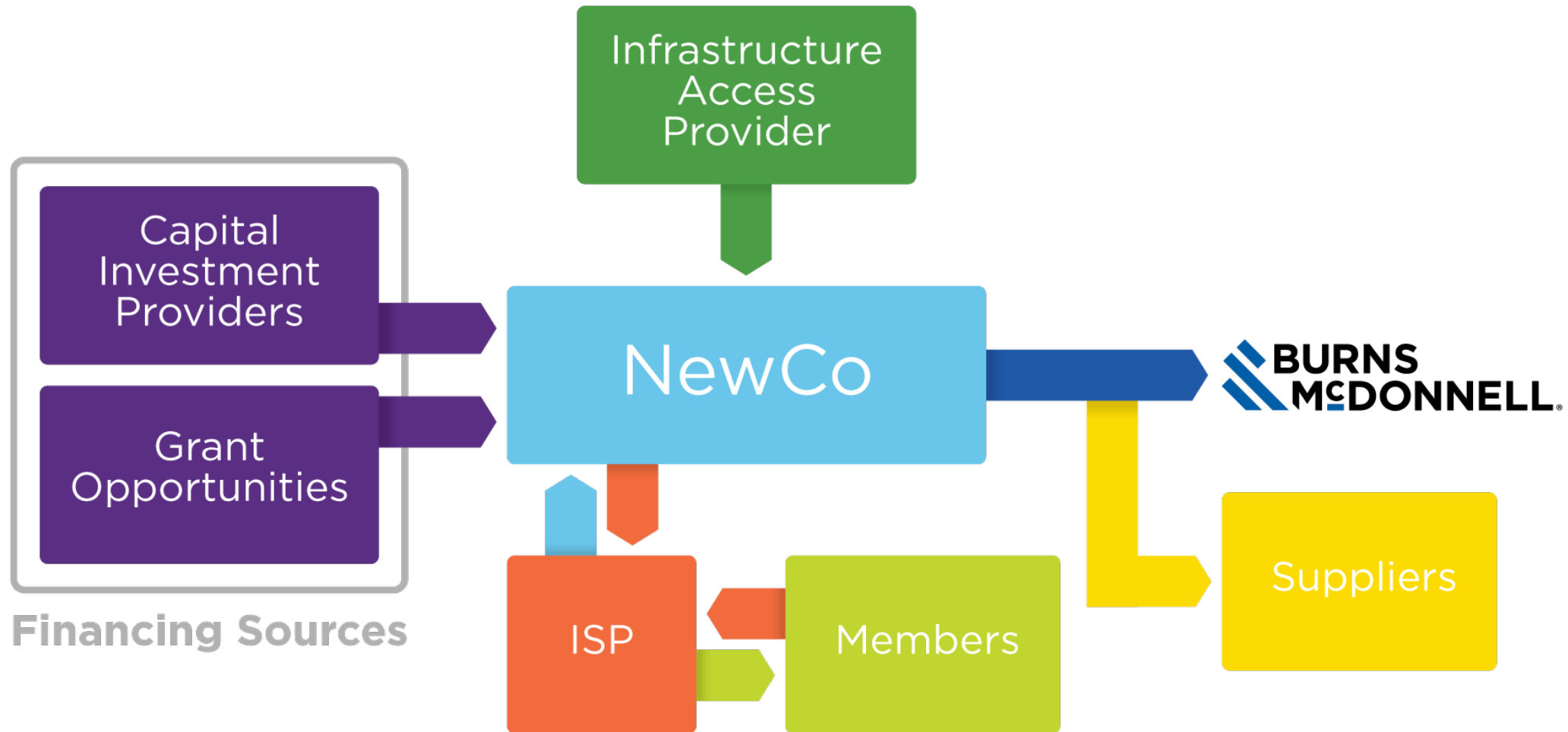
Utilities & broadband service providers need to partner to modernize the grid, enable EV and broadband. Working together on joint use requests and easements is critical to project, schedule, and cost success.



# BURNS & McDONNELL UTILITY CLIENTS



# A SOLUTION: Partnering & The Utility Model



## How is Open Access different?

Lower ARPU but also lower OPEX with automation – self service and zero touch

Higher take rates with wholesale Open Access – separate service/ infrastructure

Wide range of service providers, low barriers to entry as service provider

Broader service portfolio, (price/speed) low barrier to get on a service

ISP's can address a larger market – not tied to the physical network

Infrastructure focused funds steer towards long term infrastructure assets – 40 years horizon valuations as a result

## Why Open Access will work!

Capex levels will increase dramatically as we approach 100% of the population with fiber buildouts. This will put pressure on business models. The current vertical way of thinking is not sustainable with new market conditions.

Internet is increasingly becoming a utility – take rates and willingness to pay will increase over time.

Long term infrastructure assets with 40 years+ horizon creates new opportunities for investors to own infrastructure. Service and infrastructure ownership separation is the key to sustainable markets.