



Negotiating the Mine Field: Public Sector Role

Interop 2007

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City of Charlotte, North Carolina

- 385+ Square Miles
- 736,000 population
- Headquarters for Bank of America, Wachovia, Duke Energy and NASCAR
- Carolina Panthers & Charlotte Bobcats
- Telecom rich environment
 - BellSouth, Alltel, Time Warner Cable, etc.



Charlotte Environment

- Council-Manager form of government
- Two-fold interest
 - Community
 - Business of government
- Interest in the “long view”
- Business case orientation to investment



Wireless Environment

- Broadband access easily available
- WIFI offerings locally – premise based amenity
- Council policy initiatives - No active constituency advocating for lower cost connectivity
- Business focus on mobile communications, not wireless as delivered through WIFI
- Opinion that business case for WIFI wasn't yet compelling – as demonstrated by lack of entry by big players

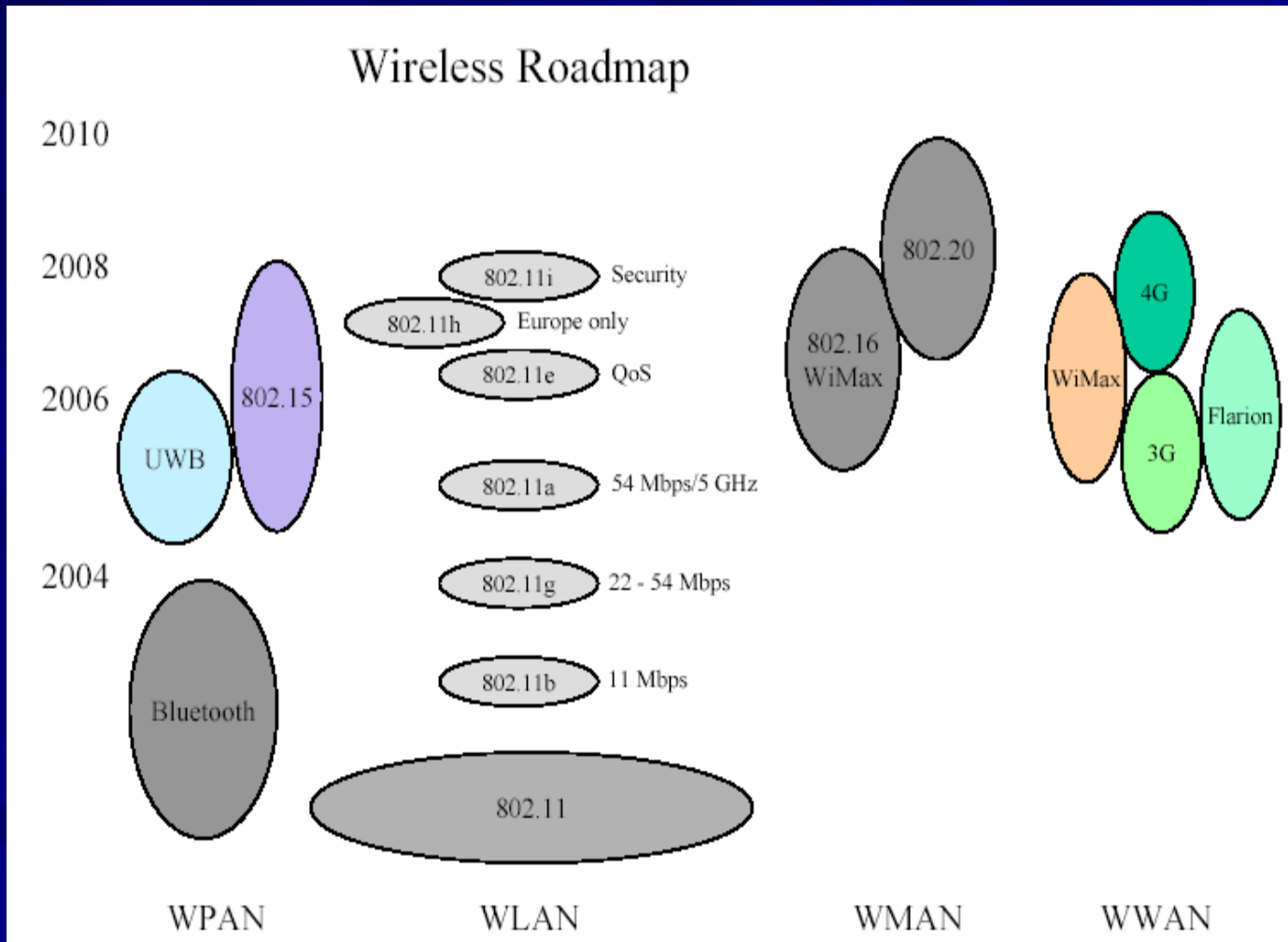


When in Doubt....

Study the Situation



Wild, Wild West-circa 2005



Source: General Dynamics Study for City of Charlotte



Private Sector Role

- Public sector is important when there is disparity within a jurisdiction in access to wireless or broadband services
- Competition is possible in the short run, but not sustainable in the long run
 - Significant ongoing capital investment to meet consumers' demands for newest toy
 - Negative impact on broadband competition
 - Economic development not guaranteed
- Charlotte's best role is as private sector "facilitator"



Recommendation

- Resolve the telecommunications use of ROW issues
 - Establish regulations for the siting of antenna support structures and antennas used for the purposes of wireless telecommunications
 - Encourage the location and collocation of wireless communication equipment on existing structures thereby minimizing new visual, aesthetic, and public safety impacts



City Use of Commercial Services

- Priority is to put mission *first* , not revenue
 - “government should continue to invest in private comm networks to provide failsafe backbone for critical operations”
 - “We find that virtually every government operation is essential”
- Access is critical – commercial networks cannot support government needs in this area
 - Commercial “priority services do not work in a manner consistent with enabling comm for workers under significant operational stress”



More Recommendations

- City build a private wireless architecture to meet operational needs of first responders
- Invest in only one wireless network
- Leverage existing radio investments, city-owned fiber
- Support investment and operational costs through chargeback model
- Offer services to other jurisdictions and non-profits to spread fixed costs



Fast forward 2006

- City is approached by vendor with a deal
- Vendor brings capital, City provides access to poles and ROW
- Business case works if density is 2,000 households per square mile
- City already in discussion with UNC-Charlotte and Chamber over lack of private sector activity



National Activity

	JULY 2005	FEB 2006	APR 2006	JUN 2006	SEPT 2006	DEC 2006	MAR 2006
Region/Citywide	38	56	58	59	68	79	81
City hotzones	22	29	32	32	43	48	57
Municipal or public safety use only	28	32	35	35	35	36	38
Planned deployments	34	59	69	121	135	149	164
TOTAL	122	176	194	247	281	312	340

Source: Muniwireless.com



Due Diligence

- City doesn't own the pole – Duke Energy owns majority
- Only 8 sq miles meet density requirement
- Obvious the business case isn't going to work for Charlotte



2007

- Reassessment of approach
 - Charlotte-Mecklenburg are capital constrained
 - Team, and now Council, still wanting to find a way to get WIFI done
- Notification of Interest yielded four additional interested players, but all want significant investments to make the business case work
- Without poles or fiber plant, what do we have to offer?

Up to 40,000 ground floor tenants



Current Status

- Community WIFI Team
 - Charlotte, Mecklenburg, UNC-C, Duke Energy, Chamber of Commerce
- Exploring formal consortia to issue RFP for countywide service provider
 - Foundation for the Carolinas
 - Candidate for project nexus
 - Requires partners to fund project – FTE, expenses
 - To minimize investment in capital, consortia must commit a large population of tenants



Next Steps

- Determine if team has the will to invest in RFP process
- Expand to include other colleges in Charlotte
- Explore interest of private sector firms



Questions?