

Understanding the *Ammon* Model



INTRODUCTIONS

1. Who's here?
2. What do you already know?
3. What do you want most to understand?

AMMON MODEL: A narrow prescriptive path that can be used by a municipality to construct and operate an open access fiber optic infrastructure.

(Not: cheap Internet, fiber envy or generate \$)



It is about sustainability and utility for the community AND the city.

Consider how we got here:

- Monopolistic infrastructures compete

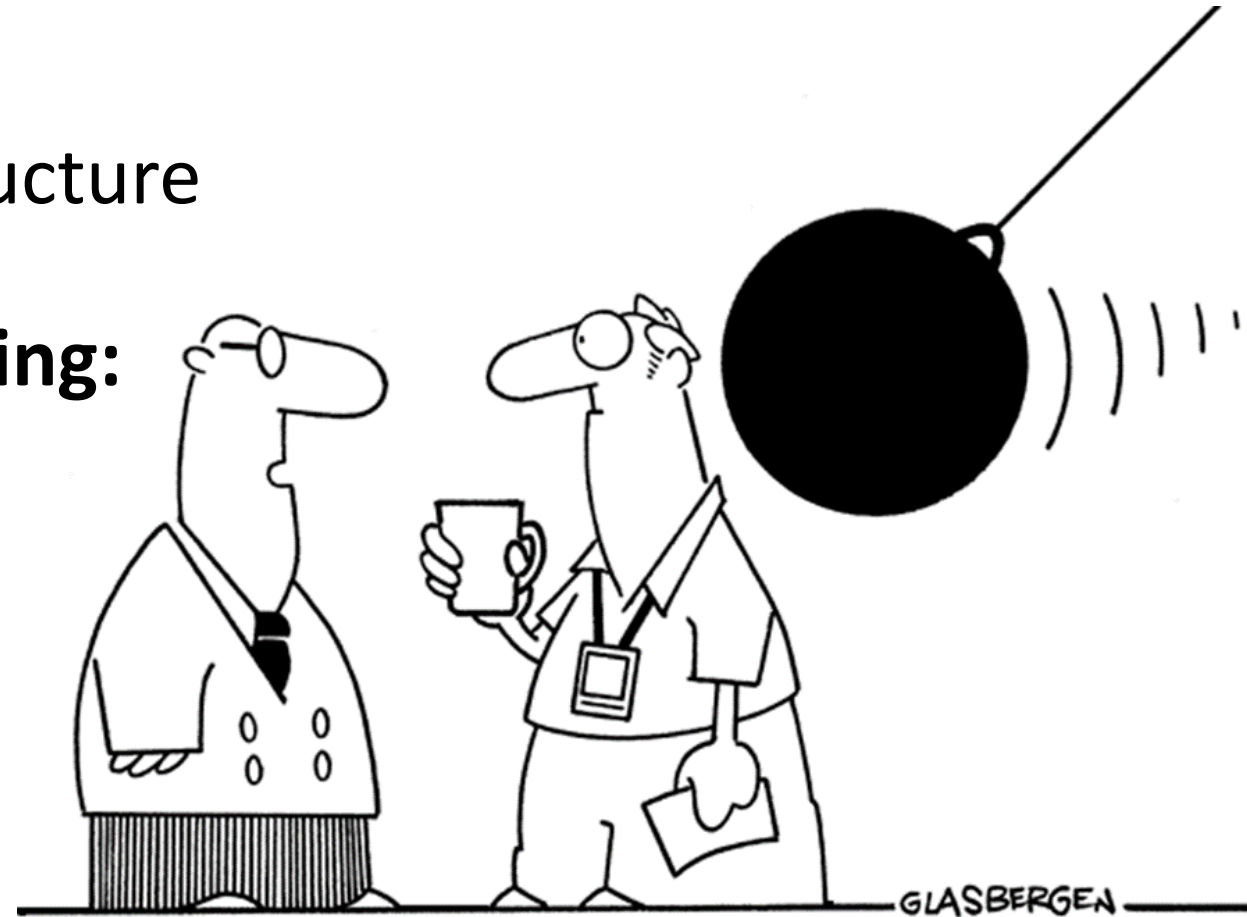
Cable and wireless poised to win:

- Built on top of regulated infrastructure

Fear of unknown + industry lobbying:

- Convinced industry will solve, conflicted as to how

**Change is upon us,
only choice reactive or proactive.**



“Sometimes the key to a creative breakthrough is a good old fashioned whack on the side of the head.”

It all starts with Policy!



If Broadband is essential it logically follows:

- It should be treated as a utility

If it should be treated as a utility it logically follows:

- The economic model is based on cost recovery

Due to high fixed and startup costs it logically follows:

- Broadband is a natural monopoly

Broadband used to define infrastructure...

Ammon policy established:

- Essential service = Broadband (infrastructure = important)
- Municipal utility treatment (mean?)

Followed with Fiber Ordinance...



"This really is an innovative approach, but I'm afraid we can't consider it. It's never been done before."

Can we do it?

Service has already been separated from the infrastructure!

Learn from the Internet?

- Technical argument moot
- Infrastructure monopoly
- Services competitive

Therefore:

- Support separation
 1. Technically
 2. Economically



“I don’t know what was more traumatic:
Cutting the umbilical cord or the land line.”

Build using existing models...



Separate the Costs:

1. Capital – cost recovery – improvement district
2. Operation – cost recovery – municipal utility billing
3. Service(s) – competitive for profit – marketplace

Benefits/Drawbacks?

Support Systems:

- <http://ammonfiber.info>
- <https://ammonfiber.com>

Only interesting in combination with the model.

QUESTIONS?





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