



# Regional Broadband Solutions: Legal & Financial Perspectives

Virginia Association of Telecommunication Officers & Advisors (VATOA)

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Virginia Beach, Virginia

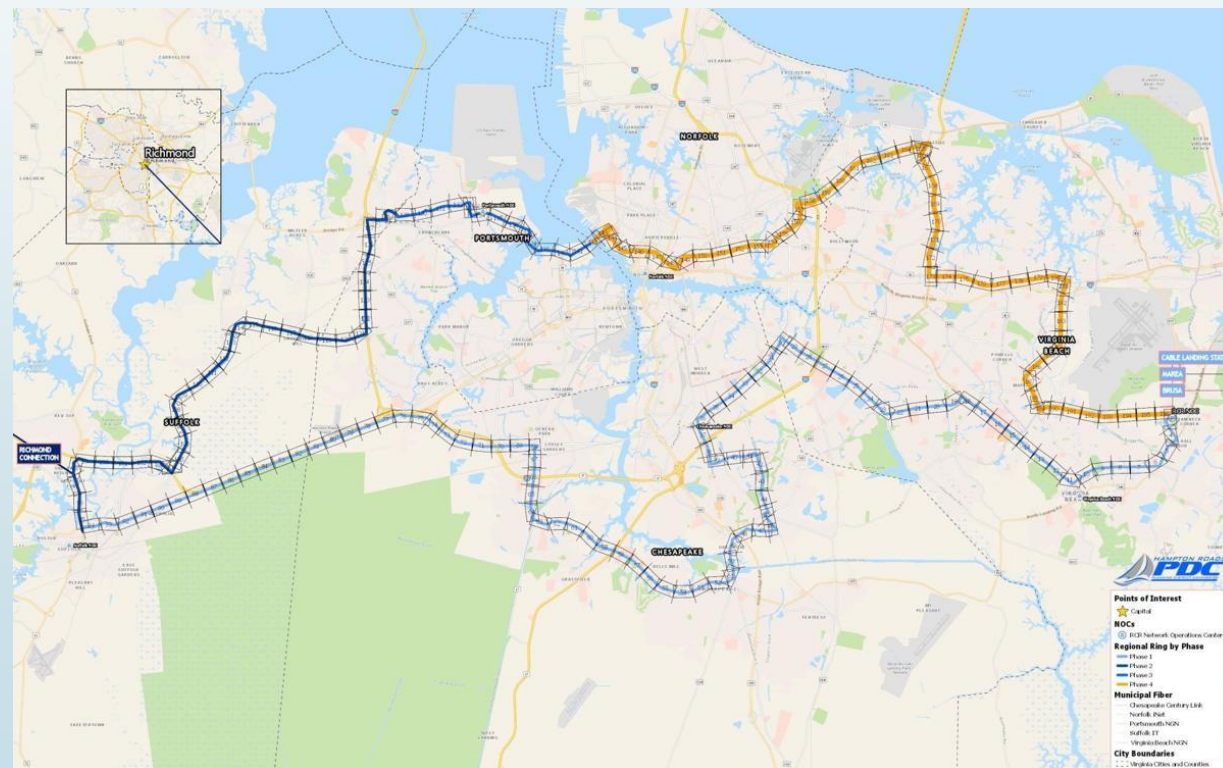
Mike Lockaby, Guynn, Waddell, Carroll & Lockaby, P.C.

415 South College Avenue, Salem, Virginia 24153

540-387-2320 / [MikeL@guynnwaddell.com](mailto:MikeL@guynnwaddell.com)

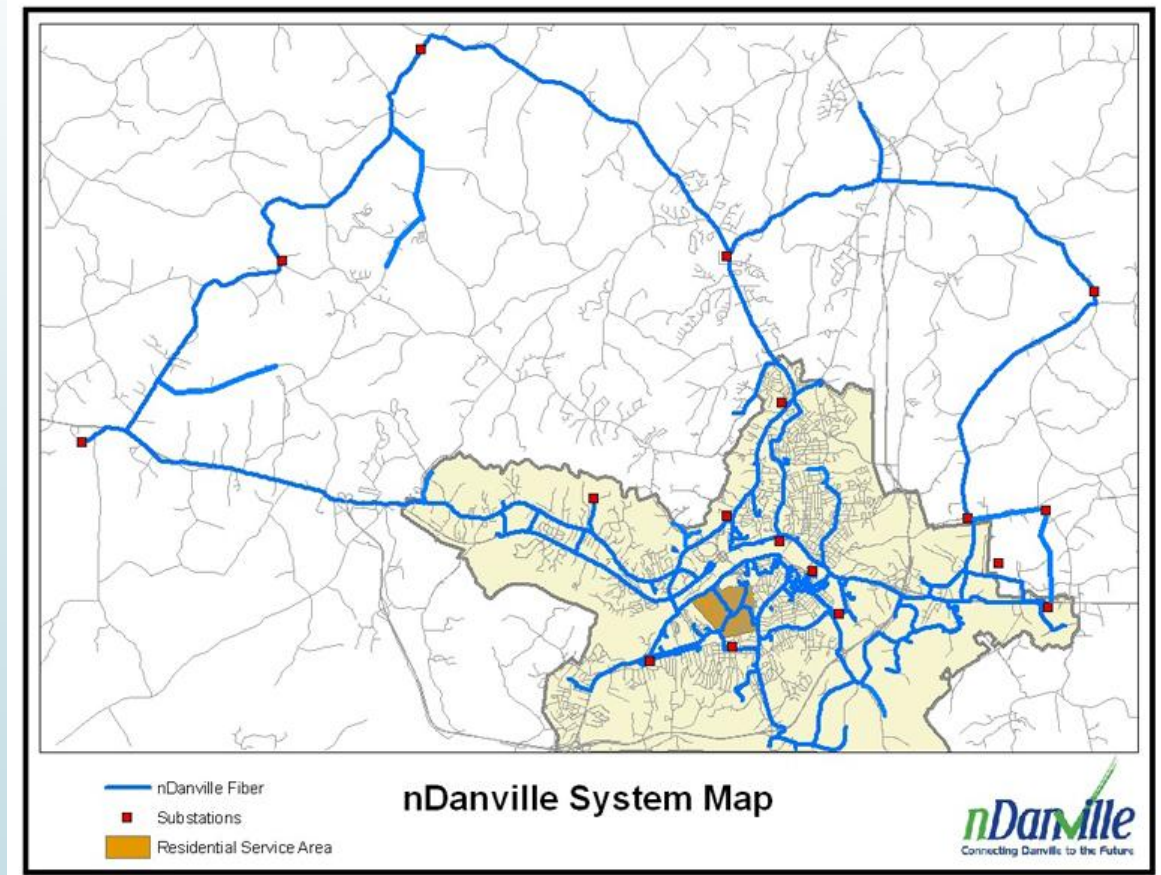
# The Southside Localities – Gettin' on the Reggie

- Five localities—Chesapeake, Norfolk, Portsmouth, Suffolk & Virginia Beach
- What and why
- Great in-house talent
- Capitalization
- Acquisition of assets
- Competitive market
- Issues of scope



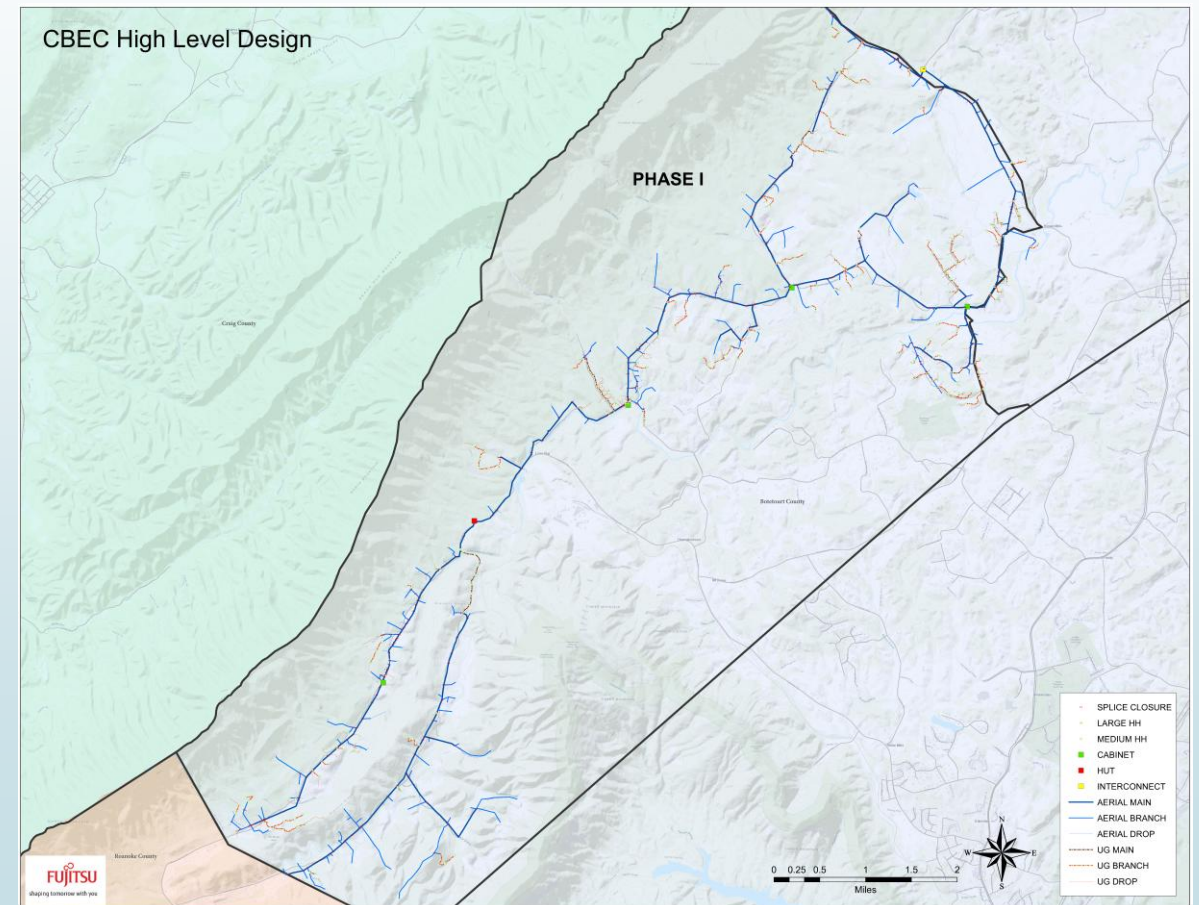
# Tobacco Road – Living the Danville Life

- ▶ nDanville system
- ▶ City is an electrical utility and a certificated MLEC
- ▶ Open-access, middle-mile
- ▶ Limited competition—only other provider in market is Comcast
- ▶ In-house talent
- ▶ Ownership of significant assets



# P3s in Amherst, Bedford, and Botetourt

- Problems:
  - Huge, sparsely populated areas
  - Lack of capital and assets
  - Lack of staff
- Solutions, but not without issues:
  - Authorities—why
  - Electric co-ops
  - Rural broadband grants
  - Tax advantages
  - Private capital



# To the Future—Grayson and Beyond

- Legislation for investor-owned electric utilities
- Local government partnership
- Last-mile providers
- SCC issues
- Loan programs
- Service districts

*Image courtesy of Roanoke Times*



# Access to Capital—the Big Issue

- ▶ Internet is considered a bad investment risk by comparison to other utility-type services
- ▶ Still tons of private capital—at a good enough rate of return!
- ▶ Grants vs. loans vs. equity
- ▶ The Revolving Loan Fund—a missed opportunity
- ▶ Utility-type ratemaking

# Systemic Risks & Opportunities

- ▶ Legislative risk
- ▶ Regulatory risk
- ▶ Capital flight and capital availability
- ▶ Litigation risk
- ▶ Industry maturation
- ▶ “Well-trod paths”

