

# PROJECT ABSTRACT: DARK FIBER NETWORK TECHNICAL DUE DILIGENCE

## PROJECT SUMMARY

Tilson performed a technical assessment of a regional dark fiber network to qualify the network operator's construction practices, quantify fiber strand and conduit capacity, and validate network topology. In addition, Tilson examined aspects of the developer's intangible assets including 110 easement and right-of-way agreements. The network operator's value proposition included a claim of relative 'exclusivity' of its network in terms of routes and capacity that would act as a significant barrier to competitors entering the same routes.

Tilson's review included evaluation of technical documentation, interviews with management representatives, a field survey inspection of underground OSP (including segments under construction) and assessment of the route easements and right-of-way agreements to determine if they supported the perception of 'exclusivity'.

## RESULTS

Tilson analyzed multiple sources of data and documentation and quantified fiber strand counts and conduit capacity across the entire network. This analysis revealed segments of both fiber and conduit that were at or near capacity and could require as much as \$1.4M of unplanned capital.

Review of the easement agreements identified standard industry terms, but most agreements lack specific provisions that would exclude competition. The volume of easements, however, implied that a significant effort would be needed for a competitor to gain access to the same routes.

Although not part of the defined scope, Tilson's due diligence revealed that certain members of the network operator's management team were key resources and recommended a retention plan be developed to maintain near-term growth and a controlled and effective knowledge transfer process.

## CONTACT US

Scott Madison  
[smadison@tilsontech.com](mailto:smadison@tilsontech.com)  
603-397-9604