

# Montrose sets goal to be 'gigabit' city

By Drew Setterholm Daily Press Staff Writer | Posted: Saturday, March 22, 2014 11:33 pm

The city of Montrose wants to be a “gigabit” city, but it needs voters’ support to get there. Referred Measure “A” on the April 1 ballot will decide whether the city can enter the advanced telecommunications market to jump-start the necessary infrastructure.

A question-and-answer document provided on the city’s website says the ultimate goal, should Measure A pass, is to ensure every city premise, public and private, has access to a fiber optic network that allows digital data transfer at one gigabit per second. Municipalities were prevented from entering the telecommunications market by 2005 Colorado General Assembly legislation, but city officials say private providers are failing to extend adequate service to rural areas.

The Montrose City Council passed a resolution supporting Measure A and encouraging voters to approve the tax-free initiative. The council characterized the measure as an issue of local control; allowing the city to re-establish its telecommunication rights would lead to a solution to the city’s current lack of high-capacity connectivity, the resolution stated.

According to Virgil Turner, city director of innovation and citizen engagement, local service providers have a limited ability to extend large-scale fiber optic connections due to high costs, and outside service providers are hesitant to extend coverage because there is no promise of strong return on investment in rural markets.

“What we’re seeing throughout the country is that municipalities are saying if the market is not serving our community, then we need to find a different way to do it,” Turner said.

To jump the gap between an under-served rural area and a technologically savvy community, Turner explained, the city could construct a fiber optic network and allow private service providers to reach consumers over that network — a “common carrier” model.

“This common carrier model could allow anybody who wanted to deliver services over it to do so,” Turner said. “I think that’s a model that would work best for Montrose. That allows the private enterprise to provide those types of service the customers want.”

Doug Seacat, owner of Deeply Digital and Clear Networks, two Montrose area advanced telecommunications businesses, said he sees potential benefits and challenges inherent in Measure A. Part of Seacat’s business includes installing fiber optic connections to customers; a city-owned fiber network would essentially eliminate that aspect of his business.

A citywide fiber network could also open a huge market of customers to Seacat as a service provider.

“My company has a large stake in it, no matter which way it goes,” Seacat said.

For Seacat, the success of the measure hinges on how the city progresses past the vote. If Measure A were approved, the city could either decide to install fiber optic infrastructure and open that network to other providers, or it could attempt to become the sole provider on its own network.

“If they keep it open to all (Internet service providers) and charge minimums to keep a network in place, without trying to use it as a profit center, then I feel like it could be a good thing,” Seacat said.

Turner said the city has no plans to become an Internet service provider or provide any other commodity over a fiber network, should such a network be installed.

“I don’t see the likelihood that the city is going to want to compete in providing Internet or other broadband services,” Turner said. “In my mind, we’ll want to provide the stable fiber network that these services could be provided over.”

There is no way to tell how a city-owned fiber optic network would affect one particular business, Turner said, nor is there a way to predict how future city administrators or elected officials would lobby to use the network. The important point right now, he said, is eliminating the service gap and allowing Montrose to remain competitive with other cities already equipped with advanced telecommunication technology.

An appropriate analogy, Turner explained, is electricity and how that now-ingrained technology reached rural areas; electric companies centered on urban areas and were slow to expand to less populated areas, until municipalities entered the market and spurred competition and innovation.

“My position is, do we stand back and allow the current situation to continue and watch as other communities jump on board with this and take care of this issue? Do we stand back and do nothing, or do we do something and make sure the future of Montrose is protected?” Turner said.

Seacat said he is on board with advancing the measure, as long as discussion of the city’s plans and business model immediately follow the vote.

“I would support moving down the road with it and exploring options, but once we really come down to it, there need to be some guidelines,” Seacat said.

Turner confirmed a wide array of informative sessions and plan-making meetings hosted by the city would follow if Measure A were approved. Those meetings would largely determine the answer to how the city should progress with fiber optic infrastructure and advanced services.

“I think the right answer is going to be what’s right for Montrose. What other communities have done may not be right for Montrose,” Turner said.

At its heart, though, Measure A is simply the first step in allowing discussions to begin, Turner said.

“If our public feels that this isn’t an issue, or feels that they do not want the city even looking at helping with the solution to the problem, then we probably don’t need to be talking about it. ... But what we’re hearing from a large number of citizens is this is a problem, and we need to find some solutions to remedy it,” Turner said.