

Faster Internet levels playing field

Jim Branscome Practical Policymaking | Posted: Friday, February 28, 2014 2:00 am

It used to be that if a town wanted to prosper it needed a river, then a railroad, then an Eisenhower Interstate highway, and then a cell phone tower. Today it needs to be a “gigabit city.”

One of the amazing things about technology is how it enables communities and countries that are tied to legacy systems to leapfrog their neighbors by adopting the latest tech gadgetry. For example, Bulgaria has faster internet service than the US. Masai tribesmen in Kenya and Tanzania do their banking on cell phones while they tend their cows.

The fastest internet city in the US is Chattanooga, Tenn. The “slowest” internet speed offered to businesses and residential customers there is 100 MB per second for \$58 per month or \$70 per month for one gigabit, which is 1000 MB per second.

Chattanooga is on a curve in the Tennessee River and has three Eisenhower interstates, but only a decade or so ago looked like an old industrial city that had no chance against Atlanta to the south and Nashville to the northwest.

Chattanooga is thriving today thanks to a refurbished riverfront in downtown, a VW auto assembly plant, and it’s pioneering leadership in becoming the first “gigabit city” in the US. It frequently makes the lists of best places in the country to live and locate a business.

On April 1 voters in Montrose will have an opportunity to become a gigabit city, with the promise that every business and premise in the city will have the broadband capacity of Chattanooga and the dozen cities that are getting the same capacity through Google Fiber.

A “yes” vote on Measure A will allow the city to reclaim the right to provide broadband, cable, phone, and other telecommunications services that were taken away by the legislature in 2005 with Senate Bill 152. Supporters are already dreaming that tech savvy young ones who develop Apple and Google apps and like to kayak, mountain climb, bike, hike, ski, and live in safe, livable small cities will start a migration to Montrose. They are already moving to Chattanooga.

The dream doesn’t stop there. Businesses that relocate or are looking for startup locations take fast and high-capacity broadband as a given. “Cloud” services that store massive amounts of data could be located here. Current internet providers here could vastly expand their telecommunications offerings to include cable, phone, and security services.

A lot of business planning will still have to be done if Measure A passes. Virgil Turner, the city’s innovation guru, envisions the city being the fiber infrastructure provider, with internet service providers competing to gain the right to provide service to businesses and residences. That model is called “carrier neutral.”

The other model that is being implemented in some of the other 300 cities that are frustrated that the giant corporate providers are behaving like the electric utilities of old and cherry picking the best customers is to have the cities control the entire business. That would be not a dream, but a nightmare to local entrepreneurs like Doug Seacat , owner of Deeply Digital, and Lillian Cook, owner of One Track Communications, who formed Clearnetworx last year to lay fiber cable in our central business district.

Sandy Head, executive director of MEDC, told me, “We need some assurances these companies and jobs will not be threatened, and they will continue to have the ability to grow their business and reap a return on their investment.”

Turner told me the city is “service motivated ... not profit motivated” and wants the current providers to feel that they have a level playing field in which to compete. He noted that the private businesses would have a much larger potential customer base. Revenue bonds, in which the bond investors take the business risk, not the taxpayers, are apt to be the prime funding vehicle. Grants may also be available.

In addition to ensuring that local businesses are in a position to compete with any large corporations that might attempt to establish a major share of the market, Turner said the city also wanted measures to enable lower income households to benefit from the advantages of gigabit speeds and capacity. “We don’t want to create two levels of society here, those who are connected and those who are not,” he said.

The extension of fiber to the city limits would likely also benefit county residents because that would enable broadcast tower providers to increase their internet speeds and range. In addition, DMEA plans to cable its substations as part of its advanced metering program. Broadcast capabilities could be added at those substations.

If you don’t understand gigabits and all that stuff, just think of the ability to stream movies real time in your home without buffering. Imagine speeds so high all the teens in the home playing online games can’t slow it down. Think of cable service to homes in the city that current providers won’t serve because the customer density is not high enough to make it profitable.

Think, “Faster than a speeding bullet. More powerful than a locomotive. Able to leap tall buildings in a single bound!” Well, not Superman, but superfast anyway. It’s a democratizing technology that lets those who live 70 miles from an Eisenhower interstate, and where the train only visits when the candy factory needs sugar and chocolate, feel that they are not disenfranchised.

I tell my friends back east that Montrose is “Paradise with a couple of small blemishes.” You know, like spring winds and some red dust from Utah. Gigabit City would remove the slow internet blemish. An All-American City deserves internet speeds as fast as Bulgaria.

Jim Branscome is a former managing director of Standard & Poor's and lives in Montrose.