



# Why towns have built their own broadband

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Two years ago Princeton, a town of about 7,500 two hours west of Chicago, was staring at a potentially grim future. One of the community's largest employers had just moved its manufacturing facilities to Chattanooga, Tenn.

LCN, a division of Ingersoll Rand Co. Ltd., had just hired a new plant manager for its Princeton factory, and he had a wake-up call for the town's industrial board.

"He said that if Ingersoll Rand was looking to relocate a new facility, Princeton would not be on the list," recalled Jason Bird, superintendent of the town's electric and telecommunications utility. The town simply did not have the communications capacity that modern companies need.

That conversation was enough to scare the town council and the mayor into action. Last October, the town started construction of a \$400,000, 12-mile fiber optic network, and on Dec. 15, it announced it would take the fiber optic cable to any customer that wanted it.

Since then, Ingersoll Rand has made a \$6.5 million investment in its Princeton plant. According to Bird, the fiber network was definitely a factor in that decision.

The town has also received a \$675,000 economic development grant from the U.S. Economic Development Administration for development of its technology park, based partially on the town's deployment of the fiber network.

Princeton is just one of the communities in northern Illinois contemplating or pushing ahead with plans for municipal broadband networks despite swirling legislation, legal rulings and large telecom company opposition. Towns cite economic development as one of the main motivations.

Rochelle has a network similar to Princeton's, and Rock Falls and Peru operate municipal fiber networks of some form. Referendums to build fiber networks failed in the Tri-Cities of Batavia, Geneva and St. Charles, but Batavia is considering launching a municipal wireless network. DuPage County will have fiber optic cable installed in its technology park in West Chicago.

A fiber loop stretching from Rockford to Dubuque, Iowa, provides service to the city of Rockford, as well as to two hospitals and other commercial operations in Rockford, and will soon serve three private companies in Freeport, says Tammy Eighmy, president of Global Enterprise Technologies Inc. She worked with the mayor of Rockford to develop the network, called RockNET, and her company, Metro Fiber Solutions LLC, owns the lease on the fiber loop.

Chicago has formed a wireless task force to gather public input on a plan to build a city-wide wireless broadband network. The panel held three public hearings, the most recent on Aug.

11.

James Carlini likened the implications of broadband networks to railroads after the Civil War. Chicago opened its arms to the railroad industry and grew rapidly, becoming the second biggest city in the nation, while politicians in St. Louis, worried about losing local riverboat money, restricted railroads and grew much more slowly.

Broadband connections have the same impact today, said Carlini, president of strategic management consulting firm Carlini & Associates Inc. in East Dundee. He points to neighboring cities Cedar Falls and Waterloo, Iowa, as examples. Cedar Falls created a communications utility in 1994 and started delivering broadband to residents several years ago, while Waterloo relied on private companies. Cedar Falls was able to attract businesses more easily with cheap and trouble-free broadband access.

"Having broadband has been most effective in attracting mid-level businesses," said Cedar Falls Mayor Jon Crews.

Waterloo Mayor Timothy Hurley doesn't buy the argument that Cedar Falls has grown at the expense of Waterloo due to its broadband network. "But would broadband help us out in terms of attracting a variety of industry and businesses? Absolutely, yes."

Hurley said he expects proponents of a municipal communications utility in Waterloo will have a referendum on the ballot this fall.

Carlini said that politicians must make broadband access a higher priority. "Politicians have to realize that broadband equals jobs and jobs equal votes."

"Many communities are horrendously underserved in terms of broadband access," said "Doc" Mueller, the communications manager for the Illinois Municipal Electric Agency. "I believe broadband connections are the interstate highways of the coming century."

But not everyone is ready to jump on the municipal broadband bandwagon.

A bill introduced by state Sen. Steve Rauschenberger in February would prohibit municipalities from offering telecommunications services. And in the U.S. House and Senate, there are competing bills to allow or ban municipal broadband.

Citizens in the Tri-Cities voted down referendums in 2003 and 2004 that would have extended the broadband fiber optic networks from government buildings to businesses and residents. SBC Communications Inc. and Comcast Corp. ran a large advertising campaign against passage.

Batavia Assistant City Administrator Randy Recklaus said a wireless network might be in the city's budget for next year, but officials in St. Charles and Geneva say the issue is on the back burner.

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