

COUNCIL OF THE CITY OF NEW YORK

Municipal Broadband Policy, Small Business and Community-based Development

December 10 ,2002

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“The widespread deployment of broadband infrastructure has become the central communications policy objective of the day.”

FCC, Wireline Internet NPRM, ¶ 2

FTTH/B: “The Holy Grail”



DVD Movie Transfer

"The Matrix" 7.81 Gigabytes



From New York to Beverly Hills		Minutes	Hours	Days
Modem	56 Kbps	18,904.8	315.1	13.1
The Pony Express		14400.0	240.0	10.0
ISDN	128 Kbps	8,720.8	137.8	5.7
Cable modem	1.56 mbps	705.8	11.8	0.5
T-1	1.54 Mbps	685.7	11.4	0.5
FedEx Express		600.0	10.0	0.4
PON	OC-3/32	218.6	3.6	0.2
DSL	768 Kbps	1355.9	22.5	0.94
PON	OC-12/32	54.4	0.9	0
LightningEdge™	100 MB Ethernet	11.0	0.2	0
LightningEdge™	Gigabit Ethernet 1000 Mbps	1.1	0.02	0

“Upstream capacity of 128 kbps is fully adequate to accommodate current and foreseeable needs of broadband users under most circumstances.”

Nat'l Cable Telecom Assn
Comments to NTIA (12/01)

“[T]he current generation of broadband technologies (cable and DSL) may prove woefully insufficient to carry many of the advanced applications driving future demand. **Today’s broadband will be tomorrow’s traffic jam**, and the need for speed will persist as new applications and services gobble up existing bandwidth.”

**U.S. Department of Commerce
September 2002**

Overview

- Major Drivers
- Public Involvement Models
- Barriers to Public Involvement
- Developments Outside Major Cities
- Developments in Major Cities

Major Drivers

- Economic development, educational and occupational opportunity, quality of life
- Equity -- “Digital Divide”
- Private sector profit maximizing behavior not always best for public
- Collateral benefits – improve ROW/facility management, reduce traffic jams, fewer environmental burdens

Public Involvement Models

- Regulator
- Consumer of communications services
- Facilitator of private-sector services
- Provider of infrastructure/facilities
- Strategic partner
- Wholesale service provider
- Retail service provider

Barriers to Public Involvement

- Economic feasibility / competition
- Technical experience and expertise
- Concerns about obsolescence
- Political factors – public v. private enterprise
- Legal – federal, state and local
 - “The Pelican Brief”
 - Current and future
- Anticompetitive conduct by incumbents

Developments Outside Major Cities

- FTTHCouncil.org Website
 - 50 public and private projects on stream – 22% public
 - Study of future growth issues
- Many other projects under construction or development
- Tremendous national/global interest

Developments in Major Cities

- Regulator/facilitator only – Most major cities
- Aggregate/leverage buying power – Chicago
- Fiber “condo” (gov’ts only) – Austin
- Lease “dark” fiber -- Phoenix
- Dark fiber + bandwidth – Los Angeles
- Partner with business community – Memphis
- Full service – Tacoma
- Regional network integration -- Jacksonville

“[T]he very fact that a community can, by vote of the electorate, create a utility of its own, will, in most cases, guarantee good service and low rates to its population. I might call the right of the people to own and operate their own utility a birch rod in the cupboard, to be taken out and used only when the child gets beyond the point where more scolding does any good.”

F.D.R., Portland, OR (1932)