



App-Rising.com is written by Geoff Daily, a DC-based technology journalist, broadband activist, marketing consultant, and Internet entrepreneur. [April 2, 2008 11:46 AM](#)

Thoughts on the Partial Success of Muni-Broadband

While I'm working on parsing through my notes from the talk on the state of fiber in Japan, I wanted to share another thought that's stuck with me from Freedom 2 Connect.

Most of the focus of the talks on the open fiber panel was about the successes being realized by municipalities deploying full fiber networks.

But afterwards, in chatting with some of the panelists it became clear that while great success has been realized in deploying fiber, that making the most of that fiber once it's in place is still more promise and hope than reality.

For example, in talking with Dirk about Amsterdam, he admitted that even within their limited initial deployment of 40,000 that take-rates have been somewhat underwhelming, not yet living up to their initial projections. He associates that with the public either not being aware of what's available or being wary of whether or not the network can deliver. Not because the network has shown any sign of not delivering, but because this is all so new that it's just taking time for some people to get their heads around trusting that the government has built a reliable network, let alone understanding what the benefits of a full fiber network are.

Also on the panel was Tim Nulty, who helped revitalize the fiber project in Burlington, Vermont and is now working on bringing the model he developed there to a coalition of 25 other communities in Vermont. In terms of take-rates, schedule, and financial solvency, Burlington has been a huge success. But that network was built to be open access, so that any service provider could buy bandwidth from the city to ride their network. When I asked Tim about who's jumped onto the network and what cool things are happening, he admitted that not much yet has. He did say that local innovators are starting to wake up to what's possible, but that they haven't realized any great success stories yet.

This is hardly the first time I've heard about a municipal build that has yet to realize upon the full promise they set out to deliver. UTOPIA is a perfect example of this as they've spent more money to reach fewer customers and realize lower take-rates with fewer service providers on their open access network to date than was originally envisioned.

But you know what? I don't care. In the end, these are still all success stories to me.

Why? Because more fiber got in the ground.

It is troubling, though, that consumer adoption of fiber still lags in some areas and that service providers have not shown any eagerness to ride these new networks.

To me, the biggest problem with muni-broadband is that there's no one proven model for how to do it. Everyone's doing it differently and trying to learn as they go along what works and what doesn't. Making

matters worse is a public that is still coming to understand what "broadband" means let alone fiber, and a competitive marketplace where in many communities there are already two other competing providers fighting for consumer dollars.

While the future of muni-broadband is not yet certain, ultimately I don't have a problem with any of the outcomes it may bring about:

- It succeeds in capturing enough market share to sustain a business and provide new competition to spur the private sector to invest and innovate.
- It fails to create a sustainable business model, and then a private operator can buy up the public assets on the cheap and we'd still have a full fiber infrastructure in place.
- It succeeds wildly well and eventually puts the private sector out of business by providing better service and value.

In truth, the outcome that scares me the most is the third. Government isn't particularly well-known for its capacity for innovation. Making matters worse, I see full fiber networks as being natural monopolies. I shiver to think how well it's going to work to have the government be my only option for telecom services for the next 20 years.

But the thing is, so long as these public networks offer private service providers the opportunity to hop on the network, then it's not stifling innovation, it's creating an environment in which innovation can thrive and prosper.

Ultimately the truth of the matter is that, if we're going to realize a full fiber future any time soon, the only way we can do that is with some form of government intervention. Whether that's incentivizing private deployment, funding public, or something in between or wholly different, fiber won't get to every home in America without it.

*Posted by Geoff Daily on April 2, 2008 11:46 AM | [Permalink](#) | [Comments \(0\)](#) | [TrackBacks \(0\)](#)
More posts about [fiber](#) http://www.app-rising.com/gdblog/2008/04/thoughts_on_the_partial_succes.html*



Technorati **ABOUT** App-Rising.com covers the development and adoption of broadband applications, the deployment of and need for broadband networks, and the demands placed on policy to adapt to the revolutionary opportunities made possible by the Internet.

App-Rising.com is supported in part by AT&T, however all views and opinions expressed herein are solely my own.

BLOGROLL

- [Alliance for Public Technology](#)
- [ars technica](#)
- [Blandin on Broadband](#)
- [Broadband Reports](#)
- [Cisco's High Tech Policy Blog](#)

- [Digital Media Update](#)
 - [doggdot.us](#)
 - [Download Squad](#)
 - [GigaOM](#)
 - [Google's Public Policy Blog](#)
 - [Lafayette Pro Fiber](#)
 - [Lost Remote](#)
 - [Read/WriteWeb](#)
 - [TechCrunch](#)
 - [Technology Evangelist](#)
 - [Verizon's PolicyBlog](#)
 - [Webware](#)
 - [Wired Blogs](#)
- Powered by MT Blogroll

[« Amsterdam FTTH Visionary Speaks At and After Freedom 2 Connect | Main](#)