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## Publicly Owned Broadband Would Serve City Best

by David Morris and Becca Vargo Daggett

On June 27, the Supreme Court ruled that cable companies have the sole authority to decide who may use their high-speed communications networks. They can decide what information to transmit, and what information they will refuse to transmit.

The decision clears the way for the FCC to allow phone companies to monopolize their own information highways. And it underscores the need for communities to build their own information infrastructure.

Both cable and phone companies want to sign up as many Internet subscribers as possible because in the near future, phone, television and Internet will all be offered through the same broadband connection. The market is huge. If current trends continue, households will spend more on information services than on energy within a few years.

Since all information networks use or cross public spaces, our local governments are involved in decisions about the design and ownership of our information futures. In April, Minneapolis declared its intention to build a new, privately owned and operated, citywide broadband network. The network will create a citywide wireless cloud, and will require substantial and expensive upgrades to the city's fiber optic backbone. Within weeks, the City Council will vote on whether to enter contract negotiations with a single provider.

The city should reconsider its strategy. Minneapolis has learned from bitter experience what can happen when we depend on a single private provider for our information needs. The city's franchise agreement with Time Warner requires the company to make 25 percent of its network capacity available for city use. For more than a decade the city has asked the company to live up to that agreement. This May, the city finally filed suit.

We don't understand why Minneapolis would choose to depend on a private company for its future information system when it has suffered such grievances with private ownership of its existing one.

St. Paul is taking a more considered approach to planning a citywide broadband network. Both private and public ownership are on the table in a study to be completed later this year. The process has been open to the public and widely discussed.

More than 200 U.S. communities have chosen to build publicly owned information networks. In Minnesota these include Chaska, Buffalo, and Windom. Their citizens are overwhelmingly

satisfied with the results.

Some cities sell retail services over their municipal networks. Others, like Philadelphia and Tempe, Ariz., have chosen to offer wholesale access. They lease space on the publicly owned network to many competing firms.

No city has built a network using the model chosen by Minneapolis, which resembles a cable franchise agreement.

Broadband networks are uniquely adapted to allow competition, because the infrastructure layer is easily separated from the service layer. Technology allows multiple service providers to transmit data along parallel channels in the network.

A community-owned network would not be a monopoly. The phone and cable companies would still provide their services. Because of the FCC's decisions, however, consumers will no longer be able to choose to have independent, locally owned companies deliver services over phone and cable lines to their homes. A community-owned network open to independent service providers may be the only way to ensure competition with their nationwide duopoly.

Minneapolis justifies its decision to opt for private ownership by indicating that the network will be built at no cost to taxpayers. But the system's construction cost will be paid by its customers, a significant portion of which will be city offices, police, fire, libraries, schools and hospitals. In fact, Minneapolis is offering itself as a major customer for the new private network.

The tide is turning in favor of municipal networks. Intel, Dell, Earthlink and other technology companies have come out in support of the McCain-Lautenberg Community Broadband Act, which would deny states the right to preempt local government broadband initiatives.

A community-owned system offers many benefits. The network and its services provide a yardstick against which to measure the effectiveness of privately owned networks. It keeps innovative small companies and their employees in Minneapolis. And, of most importance in the long term, it allows telecommunications customers a seat at the table as our communities elaborate their information futures.

*David Morris and Becca Vargo Daggett are staff members at the [Institute for Local Self-Reliance](#) and authors of the institute's publication, "Who Will Own Minnesota's Information Highways?"*