



# Message to Congress: Ratchet Up National Bandwidth Goals

By Steven S. Ross ■ *Editor-in-Chief*

Federal lawmakers are mulling changes to the Telecommunications Act. They should show more urgency. Cable and telephone companies are pushing typical offerings of 5 Mbps. And that's download speed; uploads are often limited to under 1 Mbps. Verizon is offering 30 Mbps down and 5 Mbps up as a FiOS premium service.

While providers and the feds are dawdling, network professionals have a different take entirely:

- The IEEE-USA Committee on Communications and Information Policy called for "Ubiquitous Gigabit Open-Access Nets" in our August issue.

- Equipment vendors are saying GePON and GPON (gigabit-capable technologies) are the norm for this year's projects.

- Consultants to municipal systems are hardly unanimous, but generally say 30-50 Mbps per household is a minimum for the HDTV and interactive services just coming to market.

- In Asia, 100 Mbps is seen as a typical goal.

Sellers of content and of high-end consumer electronics are pushing for more bandwidth as well:

- Hollywood has lined up behind Blu-Ray DVD discs; only one studio (Universal) is backing HD-DVD exclusively. Why? Blu-Ray discs may be more expensive to produce and the players will be more expensive to start, but they hold far more content. If content providers need more real estate on disc, think about their plans for downloaded content.

- The Consumer Electronics Show in Las Vegas this month focused on IPTV and in-home networking, and produced plenty of predictions about "100,000 TV channels over the Internet." We'll be bringing you the news in far more detail (and with information far beyond anything you've read in the newspapers) next month. Also, see Lawrence Kingsley's IPTV article in this issue. Keep in

mind that the CES is meant to clue retailers in to what they will be selling by Christmas.

- Entrepreneurs are proposing services in such areas as homeland security, customer relations, and telemedicine – but worry that not enough people will have the required bandwidth to build broad markets.

- Technology companies pushing WiMAX have been bedeviled by predictions that the buildout will be slow. Internally, they are chafing at Wall Street's view, as they see the need to provide rural bandwidth for everyone, and ubiquitous mobile VoIP and homeland security services for everywhere.

If US suppliers don't provide that content, foreign suppliers, learning their lessons in Japan, Korea and elsewhere, will be first in line to exploit the bandwidth that will surely become available here... someday.

## Wall Street Funk

The cable and telco folks, of course, must stick to their own business plans, because they can't spend money they don't have. It is not easy to convince Wall Street that investments in bandwidth will pay off for stockholders. Witness Verizon's flat stock performance despite its enormous free cash flow and forward-thinking fiber buildout. Wall Street analysts, burned badly by the dot.com crash of five years ago, also look nervously at low "per Mbps" rates elsewhere in the world.

But the cable and telco folks aren't dumb. With a view toward the near-term bandwidth crunch, they've quietly gone to Congress and the FCC, asking for the right to ration bandwidth by price! They want the right to charge consumers more, for more reliable service. Reliability, "carrier-class" reliability, was once a given.

## Property Owners are Pushing

Some of that is annoyance about what they see as "free riders." Vonage, for instance, has more than 1 million customers, all of whom

access the Vonage VoIP system through bandwidth provided by Verizon, Comcast, and other network builders. But much of the angst is surely because large cable and telephone companies see the possibility that demand will overrun their ability to provide bandwidth. By the time Wall Street realizes that there's money to be made, spot shortages (and worse) could be common.

Forward-thinking local leaders, counseled by local business interests, property owners and economic development commissions, see what's happening and are banding together to have more influence at the national level as well. There are at least two such initiatives. The United States Connected Communities Association, led by James Hettrick of Loma Linda, California kicked off at the CES show (see our News & Views section in this issue). Another, spearheaded by Mayor Graham Richard of Ft. Wayne, Indiana, will start up in February.

Municipalities also have to placate Wall Street to raise money for broadband. So they, too, are cautious. At the very least, Wall Street, property developers, and content providers are looking to Washington to reduce uncertainties about how broadband will be regulated. This month, we publish an overview of what the lawmakers are up to. There are some interesting ideas on the table, but no urgency. From our perch outside the Beltway, we wonder if the traditional legislative schedule, which will delay final action on a telecommunications bill until after Congress milks donations for the 2006 election cycle, will hold in the face of post-Abramoff reform measures. Cynically, we predict the slow pace will continue. We hope we're wrong.

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