



Fiber is Good for Cities, and MDUs

By Steven S. Ross ■ *Editor-in-Chief*

Each May we spend extra-special attention to municipal officials' needs. This May, we also focused in on the special concerns of those who serve residents of multiple dwelling unit structures – apartment buildings, dormitories, and office complexes. *I can also promise you a great deal of MDU coverage in the months ahead, and at our Broadband Summit in September.*

Next month alone we're publishing our coverage of the Independent Multi-Family Communications Council (IMCC) annual meeting, along with several MDU deployment stories and the latest in exciting wireless news. The wireless coverage should also be of great interest to municipal officials (who, to be frank, have been oversold on wireless). Wireless is not a replacement for fiber, but it is an important supplement, enabling mobility.

Why are we drawn to MDUs? Well, nationally one out of every seven new homes started in the US last year was in an MDU. And almost 90 percent of those were in MDUs with five or more units, according to the National Association of Homebuilders. MDUs are getting bigger as well; 24% of all MDU dwelling units were in buildings with 50 units or more by 2004. That's up from 11 percent as recently as 1990. These totals do not include dormitories or assisted living facilities – two categories that are booming. They do, however, include apartments rented to students by third parties. Almost a third of all existing dwelling units are in MDUs.

Fiber, Coming to an MDU Near You

The increase in large units is particularly interesting, because CLECs (competitive local exchange carriers) who partner with developers, building owners, and home owner associations say that fiber infrastructure makes economic sense today when at least 100 units can be served with at least a triple play – voice, data and video. In the next year or so, the breakeven point should come down to about 50 units. As recently as

this time last year, CLECs said they needed a minimum of 300 units to break even. Most looked for greenfield developments with more than 500 units.

It is little wonder that operators experienced in this field, such as Connexion Technologies (formerly Capitol Infrastructure), Shentel (the Shenandoah Telecommunications Company), and ZoomyCo, have expanded their horizons and are busy signing up property owners and managers for fiber. It is also little wonder that others, new to fiber and to broadband generally, are jumping in.

The RBOCs and independent telcos are joining them. Verizon's first batch of FiOS-enabled MDUs came on line this spring (we're preparing a detailed story on one of those deployments for the June issue). That, in turn, sets the stage for FiOS to be available in densely settled urban areas. AT&T is there as well, with its fiber to short copper loops. The company calls its strategy FTTN, but AT&T is bringing fiber closer and closer to customers – more like FTTC (fiber to the curb) or FTTB (fiber to the basement) in urban areas.

Master the Details

But the devil is in the details. This month, take a close look at what the pioneers say. We tagged 40 of them, drawn from among hardheaded, experienced property owners, managers, developers and technology providers. All had been evangelizing for FTTH and most have put their money where their mouth is. They'll tell you what works, what doesn't work, and what drives them crazy. *Want more detail? Many will be speaking at our Broadband Summit in September.*

What if you have two 150-unit MDUs, with a public right-of-way between them? Yes, you may be able to avoid getting a video franchise if you plan in advance. See Carl Kandutsch's detailed legal advice on that. And check out his blog at www.broadband-properties.com while you're at it.

Kandutsch also offers hints for negotiating access to rights of way with municipal officials.

If you are a public official, you can of course eavesdrop on what Carl is telling the property folks. But what if you dream of building your own fiber system? See the extensive coverage this issue, of our latest regional Towns & Technologies conference. It was held in Loma Linda, California, in April. *That conference's themes will also be expanded at our Summit in Dallas in September.*

For now, be comforted with these thoughts:

- New technology suppliers are flooding into the FTTH world (see an example this month, in our story on new GPON vendors). But while they may be new to fiber, or to specific fiber technologies, they are not startups. In fact, the average size of vendor firms has jumped in the past six months as the telecom giants have flexed their muscles.
- Experienced construction and video design firms are entering the FTTH business as well, finally assured that there are customers.
- Now, more than ever, with housing markets weakening, FTTH is a selling point. Fiber access sells homes and attracts renters faster and at higher prices. Our 40 fiber champions say so in this issue, and they tell you why.

So you're not yet building fiber systems and that makes you uncomfortable? Don't be. The installers, designers, and equipment vendors are ready and waiting with proven solutions using international standards. **BBP**

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