

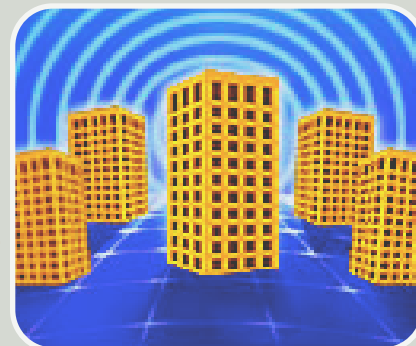
COMMONS KNOWLEDGE

IRREGULAR REPORTS FROM THE MUNICIPAL TELECOM FRONT

Commons: a piece of land subject to common use as: a) undivided land used especially for pasture, or b) public open area in a municipality

Knowledge: 1. the fact or condition of knowing something with familiarity gained through experience or association; 2. acquaintance with or understanding of a science, art, or technique

Commons Knowledge: a periodic publication of the New Rules Project of the Institute for Local Self-Reliance that: a) chronicles first-hand experience in municipal broadband, and b) promotes publicly owned, open access broadband infrastructure



The COPE Act: A very dark cloud, with a silver lining

The House of Representatives is on track to pass legislation that could mean the end of the cable franchise fees that have supplemented city budgets and supported public access television, as well as the many institutional networks connecting schools, libraries, and other public facilities that were built under cable franchise agreements.

But this dark cloud has a silver lining. The bill gives local governments authority to build their own communications infrastructure, even when state legislatures would deny them the right to do so.

Congress is sending a clear message to communities: **If you want to control your community's information future, own your information infrastructure.**

Not all cities are worried about losing local control. In San Bruno, California, the municipally owned cable system will continue to transfer 5 percent of gross revenues and 10 percent of profit to the city government, just as it has since 1971. (This includes revenue from high-speed Internet access, which the federal government ex-

empted from cable franchise fees in 2002.) Residents of Glasgow, Kentucky know that local events will be televised on channel 6 just as they have since the public utility began providing cable television in 1989. Subscribers know that their high-speed Internet access will be content-neutral, just as it has been since service started in 1995.

San Bruno, Glasgow, and hundreds of other communities around the country have gotten the message. Has yours?

The [Communications Opportunity, Promotion and Enhancement \(COPE\) Act of 2006](#) is expected to go before the full House on June 9, 2006.

Saint Paul Issues Broadband Study

Population: 287,000
Area: 55.4 mi²/89.2 km²

[Saint Paul, Minnesota](#) is distinguishing itself from its bigger and more well-known neighbor, Minneapolis, by analyzing the costs and benefits of different paths before making decisions about its information future. On May 24, the City Council received the final

report of the [Broadband Impact Technology Study](#). The report shows that a citywide wireless system could generate \$1 million in net revenue a year while providing free or very low-cost Internet access to low-income households.

The estimates do not include revenue from the city's own use of the network. Even with conservative revenue assumptions, said Craig Rapp of Springsted Consultants, the cost of wireless is low enough that "you can still cash-flow it after the third year."

The report details both initial capital cost and ongoing operating costs over five-, ten- and twenty-year periods for three types of networks: wireless, fiber optics, or a combination of the two. It also explains the cost and benefits of three options for the city's involvement: entirely private (like Minneapolis), entirely public (like Chaska), or publicly owned infrastructure leased by private service providers.

Community input gathered in town hall meetings for the public and higher education roundtables, is incorporated into the report.

Citywide wireless would cost around \$3 million annually, while generating over \$4 million in annual revenue.



Saint Paul's efforts stand in stark contrast to Minneapolis, where in 2004 the City Council chose to facilitate a privately owned and operated network without any community input, and without analyzing the costs and benefits of private and public ownership.

Saint Paul Councilor Lee Helgen suggests, "We're in a different position than Minneapolis. Given the amount of infrastructure we have, we're in a pretty good position to bargain for a good deal."

Councilor Dave Thune declared that a community-owned network would be best and hoped for a coop-type model.

The Saint Paul City Council approved a broadband strategy task force on June 7. The task force will be charged with providing recommendations on ownership and technology strategies to provide broadband access city-wide.

ParkWiFi Pilot Goes Live

Population: 44,100

Area: 10.8 mi²/17.4 km²

[Saint Louis Park, Minnesota's](#) wireless pilot project, which includes some 1400 homes and businesses within the four pilot areas, is up and running.

After replacing leased T-1 lines with city owned fiber optics a year ago, Saint Louis Park began evaluating citywide wireless. The city contracted for a feasibility study, which included business and resident surveys, and held town hall meetings to elicit citizen input. The city council approved the pilot in November 2005, with the expectation that citywide wireless will follow unless the pilot reveals a reason not to go forward.

City staff recommended that the City own the network infrastructure and contract for operation. The council agreed. In December, the city issued a request for proposals for network management and Internet service provision, and a request for bids for the wireless hardware. Among those submitting proposals was the city of Chaska, which has had its own municipal wireless network since 2004.

In January, Unplugged Cities, of Fridley, Minnesota, was chosen to manage the network and be the Internet Service Provider. First Mile Wireless, of Blaine, Minnesota, was chosen to build the network.

On July 17, the City Council is expected to decide whether or not to proceed with the citywide network. If they choose to go ahead, the network will expand in phases. Full coverage will require some 275 new access points.

The city has budgeted \$280,000 for the pilot, about half for equipment and half for services. No additional fiber was installed, so the pilot areas were restricted to areas with existing fiber. From there, the city identified pilot areas with an eye toward diverse topography, density, and demographics, as well as areas with and without DSL. (Only 30 percent of Saint Louis Park has DSL, even though it is a first tier suburb in a major metropolitan area. Most residents have access to cable modem service, but most businesses do not.)

As of late-May, there were 375 pilot subscribers. Most pay \$25 per month for 1 Mbps symmetrical service. There are also \$20 and \$35 per month tiers. This includes a \$5 per month fee to lease a wireless device with a more powerful antenna than found in most portable computers. Such devices would not be required for all customers in a citywide network, but this requirement makes it easier to evaluate the network's functioning during the pilot. The city and Unplugged Cities, are pleased with the 27 percent subscription rate, given that residents must pay to participate and there is no guarantee the service will continue beyond the pilot phase.

The pilot is increasing connectivity. Over half of subscribers had either dial-up or no service at all.

The pilot project is already successful at its most important goal: increasing connectivity. Over half of the subscribers had either dial-up or no service at all. Most of the rest had cable modem service. Clint Pires, the city's IT Director, says that even though cable has faster download speeds, many people are attracted by the symmetrical upload speeds the wireless network offers (i.e. users can send pictures as fast as they can receive them).

If the council chooses to go ahead with the full build out, service tiers and rates will be set based on actual costs experienced with the pilot. At this point, Unplugged Cities receives a fixed monthly fee for services, but in a citywide project they would likely receive a per subscriber fee. Billing will not be combined with other city utilities, which are quarterly, but will be handled through the same system.

The feasibility study indicated that the network could operate in the black if 36 percent of potential subscribers signed up for service by March 2008, about one year after the citywide network was fully operational. The city is not looking to cover any costs of the network through department technology budgets. It is expected that some existing costs will be offset, but at this point they are not trying to justify the network based on municipal applications.

Clint Pires knows that not all cities can follow Saint Louis Park's model: "One of the things that will make municipal wireless successful is the brand of faith people have in the government. In Saint Louis Park, people's interest in wireless services actually increased when they learned the city would be involved. People here really appreciate government and demand good government services."



Institute for Local Self Reliance

1313 Fifth Street SE

Minneapolis, MN 55414

T. 612.379.3815

www.newrules.org