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The Gigabit City Challenge

FCC Chairman Genachowski issued a challenge to the nation's mayors to build at least one gigabit community per state. Will they be able to meet it?

In January, FCC chairman Julius Genachowski issued a gigabit city challenge. Addressing the U.S. Conference of Mayors, he called for at least one community per state to build a network that offers 1 Gbps Internet access to residents by 2015.

At gigabit speed, he said, "Networks cease to be hurdles to applications, so it no longer matters whether medical data, high-definition video or online services are in the same building or miles away across the state. Gigabit communities spur innovators to create new businesses and industries, spark connectivity among citizens and services and incentivize investment in high-tech industries." A critical mass of gigabit communities, he said, would provide an impetus to application developers to create the next generation of broadband applications.

I applaud Chairman Genachowski for recognizing the importance of ultra-high-speed broadband networks and urging local leaders to rise to his challenge. The technical support he promised – a clearinghouse for best practices and workshops to disseminate knowledge – will surely be valuable.

However, I question whether the goal of one gigabit community per state is ambitious enough and whether the FCC could do more to promote the buildout of gigabit networks.

The chairman glossed over some important distinctions. Is a gigabit network one that has the *capacity* to deliver gigabit speeds to residents? If so, his goal has long since been met. Twenty-four million households in thousands of U.S. com-

munities have access to fiber to the home, and the great majority of FTTH networks can easily deliver gigabit speeds to consumers – sometimes with no changes at all, sometimes with the replacement of inexpensive optical network terminals in consumers' homes.

Is a gigabit network one that actually *offers* gigabit speeds to residents? If so, the number is much smaller – about 25 providers offer gigabit speeds in 42 communities, according to the FTTH Council's estimate.

Is a gigabit network one that offers gigabit speeds to residents at prices comparable to what most U.S. households pay for broadband? If so, the only three such networks I am aware of – though there may be others – are operated by Sonic.net, Google Fiber and CityLink Fiber, competitive ISPs offering 1 Gbps service for less than \$80 per month. Yet gigabit-speed broadband won't have the impacts Chairman Genachowski speaks of unless most households can afford it.

Why do only a few thousand U.S. households have gigabit-speed broadband today? In brief: lack of competition, short investment time horizons, regulatory hurdles and uncertainty, lack of next-generation applications and the high cost of Internet bandwidth. I'll address these in later columns – but the chairman's gigabit challenge does little or nothing to remove any of these obstacles.

See you at the Summit!

Masha Zager

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