

Q&A with Gary Bolton of the Fiber Broadband Association

On Making Fiber-Based Broadband the Nation's Priority

The new head of the Fiber Broadband Association shares his vision for the industry.

The Fiber Broadband Association (FBA) named Gary Bolton its new president and CEO in early November. He brings a wealth of communications industry experience and joins the FBA after serving as vice president of global marketing and government affairs at ADTRAN. Prior to ADTRAN, he served on the executive team for two successful venture-backed broadband startup companies and held executive and senior management roles at Ciena and Nortel.

An adjunct professor in the College of Business at the University of Alabama in Huntsville, Bolton has been deeply involved with the FBA and chaired the finance and audit committee, the public policy committee and the marketing committee. He also served two terms as board treasurer and was vice chair of the board. He succeeds president and CEO Lisa Youngers. After the FBA appointed Bolton as its CEO, **BROADBAND COMMUNITIES** had the opportunity to speak with him about his plans and what trends he is seeing emerge in the broadband industry. Following are highlights of the conversation.

BROADBAND COMMUNITIES: *Tell us about your background. What kinds of experiences have you had in the telecommunications industry, and how does that experience shape your perspective on the FBA?*

GARY BOLTON: I have been around this industry for quite a while. Everything from working at big companies, such as Nortel



Gary Bolton, Fiber Broadband Association

and Ciena, and mid-sized companies such as ADTRAN but also a couple of startups. The first startup I was part of was Catena Networks, which debuted when the internet was coming together. At that time, there were two separate networks: the voice network and the data network. We were developing a chip – the foundation of our company – that included a DSL modem and the voice codecs. But at

the time, data was a separate, unregulated affiliate, and voice was regulated. During the first board meeting, the board asked us what we were excited about. I said, “We have the guys who can make this chip.” And then they asked, “What are you worried about?” I said, “No one can buy it.” This was because it had an unregulated part and a regulated part.

I’m proud of the fact that at Catena Networks in 2002, we were able to convince the FCC, then chaired by Kevin Martin, to adopt our broadband proposal. That was a big moment for me – seeing how a tiny startup could have a big voice in Washington. I dabbled in regulatory issues at Nortel, but that accelerated at Catena. Even though for the past three decades I have been the vice president of product management and marketing or both, I have always had a strong interest in advocacy.

BBC: *How do you see the fiber-to-the-home (FTTH) industry shaping up in 2021?*

GB: We’re at the beginning of the fiber investment cycle. The pandemic has shot that full of steroids and is accelerating this investment cycle. Other things globally, such as Brexit, are relevant. When Boris Johnson became the U.K.’s prime minister, he said something to the effect of, “It’s great we exited the European Union, but we only have 7 percent fiber penetration, so we better turn that around.” That has kicked off a fiber firestorm across Europe. We’re seeing a lot of alternative providers in Europe building FTTH networks.

In my most recent years at ADTRAN, I spent a lot of time with communities. They would come in and say, “I don’t know what fiber is, and we’re not getting any economic development projects.” That spurred a movement with a lot of new providers. There are about 1,100 fiber service providers across the nation. The

As you start to see communities and small providers pursue fiber, it will spur more investment by the large companies.

biggest growing segment of that is electric co-ops and municipalities that realize they must take matters into their own hands. What excites me about the FBA is that it represents the entire ecosystem. It offers the opportunity to be the single voice for fiber at a time when our nation needs it most. As the new presidential administration comes in, there are some infrastructure bills that are already in flight in both the House and the Senate. Right now, we’re in the middle of the Rural Digital Opportunity Fund (RDOF) auction, which will provide another \$16 billion. RDOF is moving from CAF II, where it was largely the price cap carriers, to now awarding fiber networks and providing a lot to smaller providers. There are 386 bidders representing more than 700 companies. We’re going to see a big acceleration.

The one thing Tier-1 providers respond to is competition. As communities and small providers get into this, it will spur more investment by large companies. Some of the Tier-1s are looking to go beyond merger obligations to looking at where they need to invest. On top of that, we have been wondering when the cable operators will start participating in fiber. Cable has been sitting back with its big roll of duct tape, saying “For \$15 per home passed, I can put more DOCSIS duct tape on this and crush the competition.” What the FBA sees is that investment by smaller providers and new investments by Tier-1s and the Tier-2s that are emerging from restructuring are wake-up calls for the cable guys. The cable guys

are saying, “Our valuation will be measured by our infrastructure assets, and if we don’t have miles of fiber in the ground, we’re going to lose valuation and subscriber growth.” I think we’re going to see cable operators move into fiber access.

On the supply side, there are a lot of different innovations. One of the things I love about the FBA is that our annual conference allows attendees to see all the new innovations. For example, you can look at new micro-radius bending methods on fiber cable and different ways to combine cable strands to make it lighter weight and higher density. Then, if you look at the optics and electronics that have narrower beam lasers, you’ll see endless possibilities on the capacity and performance of the network.

BBC: *You mentioned cable operators could ramp up FTTH deployments. Do you think we’ll see cable deploy FTTH outside of greenfield markets?*

GB: Cable has been sitting in the catbird seat; cable companies were making minimal investment yet dominated the broadband market because they were able to have high downstream bandwidth with relatively low investment. This all changed with the pandemic. With all the applications going symmetric, the world realized where the internet is going post-pandemic. The studies I have seen say that two-thirds of folks working from home today will continue to work from home. About a third of people want to 100 percent work from home. A third of people want to go into the office and work from home when they want, and another

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third like to go into the office. In short, working from home is not going away. What work-from-home people have realized is that when you have your kids on video, you end up doing broadband rationing in your house. It's like, who is using all the hot water? That has pumped up the need for high-quality bandwidth. Suddenly, the upstream component is what's breaking the cable network. Cable guys are at the ready to move to fiber access. We have seen that some of the cable people have jumped into the RDOF auction. This is the first signal. More recently, a Wall Street equity report from New Street Research broke down the financial impacts that the cable companies will suffer if they don't start deploying fiber in a big way.

BBC: *It's clear the FTTH landscape is changing as community broadband providers – including electric utility co-ops, municipalities and developers – deploy fiber. How much of an impact will electric utilities make in the FTTH market?*

GB: The Rural Utilities Service (RUS) has focused on fiber with ReConnect. Likewise, the FCC's RDOF has focused on fiber. If you look at the budget, you get 100 percent of the budget if you do a gigabit symmetrical network, which is fiber, versus 10 percent if you do something between. The FCC and Congress have received the message that fiber is the right investment.

From an electric co-op perspective, about 200 electric

co-ops are participating in the RDOF auction. If you look at who they are as utility providers, they are serving their neighbors. Their sole purpose is to be a utility. It makes sense that with broadband being the next utility, if incumbents do not deliver the kind of bandwidth communities need, electric co-ops step up and do that. We have seen various models. Here in Huntsville, Alabama, Huntsville Utilities put in dark fiber that is ready for use. Google Fiber is leasing the dark fiber, and it's up to Google Fiber to connect from the pedestal to the home and sell and manage the retail service. It's a no-brainer. Huntsville Utilities is equipped to put conduits in the ground and deploy fiber. It also has the poles and rights of way. However, Huntsville Utilities did not want to worry about being a retail service provider.

Electric Power Board (EPB) has transformed Chattanooga, which became one of the first gigabit cities and is now a 10 Gbps city. EPB was able to prove it could beat its business plan in a fraction of the time it predicted. The broadband revenue not only creates economic development opportunities for the community, but also starts to subsidize the power part of the business. EPB can now keep super-low rates for power because it has a robust broadband service. When you see these models come out, every utility is scratching its head saying, "Well, why would we not do this?" The FBA is facilitating

this with its fiber toolbox to enable more providers to deploy fiber. For instance, Rocket Fiber in Detroit, which was a mortgage lender, came to the meeting and learned how to become a fiber and broadband provider. We are providing the same type of opportunity to electric co-ops and municipalities or anyone that wants to get into this business. They have a one-stop shop to see everyone in the ecosystem.

BBC: *We're seeing partnerships between co-ops and telcos as well as between telcos and communities, such as the partnership between Consolidated and the community of Chesterfield, New Hampshire. How important are these partnerships to advance FTTH and broadband availability overall?*

GB: There's not any municipality or utility that's dying to become a broadband provider without a necessity. Here in Huntsville, the city reached out to the current providers and asked, "Can you help us out?" The problem is that the larger the provider, the more it focuses on the business case and looks at competitive forces to drive its business. The business case in Huntsville is more of a way to make sure the city pays for fiber. What Huntsville Utilities is focused on are the needs of the community. I think we will see a lot more public/private partnerships. As more communities step up, we'll see other providers facilitate that. Most communities would welcome a partnership with someone who has a track record and a provider that has the wherewithal to do this rather than being left to figure it out on their own.

BBC: *In your opening letter upon becoming the president and CEO of the FBA, you said you are ramping up advocacy at the federal, state and local levels, driving awareness, investment and funding to advance FBA's goal of accelerating fiber deployments. Can you walk us through some of those plans?*

GB: The pandemic has disrupted our business model. Our current business model is that we subsidize 70 percent of our members' dues through things such as our annual conference. With the pandemic impacting the annual conference, it forces us to look at different business models. My No. 1 priority was to make the virtual event the best event, and we met that goal with 100 speakers and 30 sessions. When I start looking at our identity, one of the things we look at for our members is how to provide the greatest value. This will include areas surrounding education, training, workforce development and investment. We have brought in top-notch Washington lobbyists to supplement our policy team as well as our regulatory team. We want to be a heavyweight in advocacy. We believe that it's important that

the U.S. government invest \$100 billion in fiber infrastructure so the United States can increase its global competitiveness and close the digital divide.

If you think about COVID-19 relief, it is a race. How do you get your COVID-19 relief? Well, you need to have a broadband access platform because you must apply online. It's ridiculous that the people who need it most don't have access to even apply for it. We're at the beginning of a big fiber investment cycle to drive that. We're also going to see a new FCC. As we move into the new administration, there will be a new agenda, and we want to have a strong voice to make sure we're focused on lowering deployment impediments as well as increasing subsidies and accelerating fiber deployments. On top of that,

there's a global race to 5G, and 5G doesn't happen without fiber. It's important that the United States is successful in its 5G rollout. It can be successful only if we blanket our country with fiber.

BBC: *With Joe Biden in office, how will the regulatory landscape shift?*

GB: There will be a shift, and we need to make sure that pivot is focused on fiber. What we have is bipartisan support for fiber and infrastructure. These things ping-pong back and forth depending on what party is in power. The FCC has been productive under the leadership of Chairman Ajit Pai. We think there's an opportunity for the next FCC to be just as productive if not more productive. To do that, we need the infrastructure to advance our nation. ❖

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