

Greenlight Networks Meets Customer Demand With FTTH Internet-Only Broadband Approach

In the growing Rochester (New York) market, the service provider is effectively overcoming build challenges and educating consumers about how its internet-only approach benefits the transition to over-the-top video services.

By Sean Buckley / *Broadband Communities*

Greenlight Networks, an emerging competitive FTTH provider serving Rochester and other upstate New York communities, may compete with Frontier and Charter, but it's not your typical triple play provider.

"Our approach is that we provide internet only," says Mark Murphy, president of Greenlight Networks. "We are not doing video and we're not doing voice."

Being an internet-only provider, Greenlight has educated its users and potential new users on the benefits of how a fiber-based broadband connection can help them cut the cord.

The service provider has been ramping up its marketing investments to tout how its services can simplify the transition to OTT video service, such as Netflix, and the growing array of other players, such as YouTube TV.

"With the internet-only approach, we have done pretty well in terms of penetration," Murphy says. "We try to advocate cord cutting and help simplify that process for our customers as best we can."

Having offered speeds up to 1 Gbps since its inception, the service provider has been updating its tiers. It offers customers four main speed tiers: 500/50 Mbps, 750/75 Mbps, 1

Gbps/100 Mbps and now 2 Gbps/200 Mbps.

Each plan is competitively priced. The 500 plan costs \$50 per month, the 750 Mbps plan costs \$75 per month, and the 1 and 2 Gbps offerings are \$100 and \$200 per month, respectively.

"Our approach is to keep it simple and fair for everyone," Murphy says. "We're not pricing differently for new or existing customers, and I think our customers appreciate that."

The new 2 Gbps offering is supported by Nokia's XGS-PON platform. Although 2 Gbps is the new product, the XGS-PON platform provides an upgrade path for its existing fiber network, allowing Greenlight to move seamlessly from GPON (2.5 Gbps) to XGS-PON (10 Gbps) using the same access node.

"We're now able to provide technically up to 10 Gbps and we're starting out with 2 Gbps for \$200 a month," Murphy says.

So, what has been the reaction from the competition?

"Charter has done some things that are consistent with what it has done in other markets," Murphy says. "It is providing pricing and services that their existing customers can't get."

BUILDING TO MEET DEMAND

Greenlight Networks has a good yet pressing problem: staying ahead of customer demand for its broadband-only service.

“At this point, we’re doing everything we can to keep up with demand, which has been hard to do,” says Murphy. “It’s a good problem on one hand, but on the other hand, you don’t want to make people wait too long.”

To lure new customers, the provider has taken a page out of Google Fiber’s network buildout playbook. Its “fiberhood” plan requires each community to meet a certain threshold of interest before Google Fiber builds in that neighborhood.

Targeting New York state’s Rochester and Finger Lakes regions, Greenlight’s fiber construction is based largely on customer sign-ups.

Once it sees a concentration of sign-ups in an area, it determines the cost to build and the number of customers it needs.

“We’re not really building on spec,” says Murphy. “We’re building really to meet customer demand.”

But the company is not standing pat. The service provider will continue to expand into more markets.

In July, Greenlight started construction to expand its FTTH network to six additional Greenlight districts spanning 3,900 households in the upstate New York communities of Greece, Irondequoit and Rochester. Construction is underway in the Greece Hampton/Latta, Greece Dorsey, Irondequoit Nowadoga, Irondequoit Kindewood, Irondequoit Oakgrove and Rochester Navarre Greenlight districts.

“We’re doing some things to accelerate construction and bringing out more contractors,” Murphy says. “This will allow us to keep up with the demand we have in the markets today and look at a significant expansion in upstate New York.”

Additionally, the service provider is taking more control over its installation process by hiring its own technicians.

Greenlight brought these new techs on board during the first quarter.

“We’ll continue to do more of that because now we’re at a size where we can start leveraging it a little bit better,” Murphy says.

OVERCOMING BROWNFIELD CHALLENGES

In Rochester, there’s been a growing movement of people migrating back into the downtown area.

The community has been building a mix of new greenfield MDUs as well as updating old brownfield buildings, giving Greenlight various opportunities to deepen its network penetration.

“We’ve had a bit of a renaissance with new builds,” says Brian Bennett, director of business development for Greenlight. “We have done our fair share of greenfield, but also done quite a bit of brownfield.”

Bennett adds the issues that once made brownfield builds more difficult are slowly being addressed. For one, MDU tenants are voicing their desire

for broadband service.

“Conversations about how to use someone’s existing conduits are a lot easier now, and there’s a lot more demand,” Bennett says.

To assist, vendors have developed various new techniques to ease brownfield installations.

Innovations are also presenting new opportunities to ease the pain of MDU installations (see “Fiber Presents Opportunities, Challenges for Providers,” July 2019). New products from Corning and OFS are in this category. After acquiring 3M’s Communication Markets Division, Corning offers its Clear Track Hallway Fiber Pathway product. The Hallway Fiber Pathway is a surface-mounted, clear adhesive-backed solution that enables fiber installation with minimal disruption for MDU tenants.

“Vendors now have self-adhesives for fiber installations going down hallways,” Bennett says. “These innovations make the fiber installation

BROADBAND-ONLY HOUSEHOLDS TO JUMP TO 40 MILLION BY 2023

Broadband-only households are set to grow from 23.3 million in 2018 to 40.8 million by 2023, according to a recent Kagan report.

The research firm said it expects broadband-only homes, or households without a traditional multichannel video package but with a subscription to wireline broadband, to rise at an 11.9 percent compound annual growth rate from 2018 to 2023.

Broadband-only homes will make up 41.7 percent of wireline broadband households by 2023. Kagan expects cable and telco broadband to serve nearly 75 percent of U.S. households by that time.

A big factor in this shift is the migration from traditional multichannel video to an over-the-top product. In the next five years, Kagan expects the segment of broadband homes without a traditional multichannel subscription to account for nearly one-third of U.S. households.

The rise in OTT video adoption is the product of two key factors: price and flexibility. OTT video products are offered at competitive prices, which make them an affordable option to a traditional cable or satellite TV subscription. Additional factors supporting the strong projection of broadband-only growth include the ease of joining and canceling online streaming services. Besides not requiring contracts, OTT video services can be viewed from any device inside or outside a home.

look cleaner and attractive. Because fiber is so small, the footprint can be attractive, especially when you compare it with wrapping a building with coax.”

NAVIGATING POLE ATTACHMENT, UNDERGROUND BUILDS

As an emerging player, Greenlight must leverage existing utility infrastructure and obtain access to it to build its network.

To simplify its fiber build process, Greenlight prefers to lease lit fiber and follow existing middle-mile or other fiber to avoid building costly, time-consuming fiber infrastructure from town to town.

There clearly are differences among the markets it serves. In the more established parts of its footprint, the service provider will install fiber on aerial utility poles. In newer developments, installation will be all underground.

Each method has its own challenges and opportunities.

Aerial installation allows providers to use existing rights of way and infrastructure, but they face the harsh reality of dealing with the cumbersome make-ready process to get access to a pole. Make-ready work is the process of ensuring the utility poles upon which the fiber cable will be strung are in suitable condition to receive the cable.

New regulatory advances such as the FCC’s one-touch make-ready (OTMR) rule, which was championed by Google Fiber, eventually could help – but the process is still daunting for smaller providers, such as Greenlight, that lack sufficient resources. The OTMR rules will let providers attach wires to utility poles without waiting for the other users (telcos, electric utilities and cable operators) of the pole to move their own wires.

“In terms of aerial, it’s difficult because you have to go through the whole pole attachment process,” Murphy says.

Even though underground builds are easier, they are time-consuming.

“Underground is great from a regulatory perspective because the

municipalities are willing to work with us to make FTTH services happen for their residents,” Murphy says. “The challenge is that it’s more expensive, and it takes longer. The taking longer is more difficult than the expense.”

MDUS ON THE UPSWING

MDUs, including apartment complexes, continue to be big business for Greenlight. In fact, MDUs were the provider’s initial target when it was founded in 2011.

After it received approvals from the New York State Public Service Commission in June 2012, Greenlight began extending its network directly to homes and businesses.

With new single-family home development slowing in the northeastern part of the United States, more than a third of Greenlight’s customers reside in MDUs.

“As you can imagine, in the Northeast there’s not a lot of single-family home development,” Murphy says. “What we have been more successful at is working with multi-dwelling developers.”

Like other providers, Greenlight has been establishing bulk agreements with MDU property owners. These property owners then make the broadband service part of the rent or directly charge residents.

Murphy says more MDU developers are offering broadband as a feature to attract residents. This is a shift from when property owners listed cable TV as an amenity.

“MDU owners, especially in newer developments, are offering broadband as an amenity,” Murphy says. “It has become a nice amenity for them as opposed to hanging a shingle with free cable on the front door.”

VARYING DEMOGRAPHICS

Greenlight’s services appeal to multiple demographic segments. They range from college students who attend Rochester Institute of Technology (RIT) to retirement-age residents in 55-plus developments.

Murphy says that “it comes down to the fact that the velocity of cord cutting

continues to increase and people are looking to alternatives to the cable company for their broadband.”

For The Lodge, an off-campus RIT student housing complex located just minutes from campus, Greenlight provided 1 Gbps connections to each living unit. From there, each student room could access 100 Mbps.

Leasing agents for The Lodge wore shirts that asked, “Can you gig it?”

“They sold the place out, and it was a real success,” Murphy says. “We’re actually doing a couple more projects with RIT that will focus on gigabit to the unit.”

A LOCAL FEEL

As service providers such as Greenlight Networks advance FTTH into more markets, they are helping boost the economies of the communities they serve.

A recent Fiber Broadband Association study found that homes in neighborhoods with a fiber connection can see an increase in value up to 3.1 percent, or \$5,437, for the average home.

Studies also show that homebuyers choose where to live based on access to high-speed internet service. A fiber connection from Greenlight makes a home and community stand out to potential buyers.

“We think fiber offers a lot of value for economic development,” Murphy says.

For all that fiber connectivity brings, Greenlight has set its sights on keeping its presence local in every community it enters.

Residents place door hangers to remind others in a community that Greenlight is present with FTTH. Greenlight’s marketing team works with neighborhood association meetings and other groups to increase its profile.

“We’re trying to show we’re very local and act that way as best we can,” Murphy says. ❖

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