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Council approves ultra-high-speed broadband plan

Business plan bypassed

By Kristina Peterson / Daily News Staff Writer

The Palo Alto City Council late Monday night approved expediting a proposal to bring ultra-high-speed broadband Internet access to the city.

Rather than waiting to develop a full business plan, the council voted to direct city staff to start working on a less detailed letter of intent that would nail down only general concepts with the companies who have proposed to build, operate and manage the open network.

Under the conceptual plan approved Monday, a consortium of companies - broadband specialist Packet Front, network installer 180 Connect and major investor Axia Net Media - will build a high-speed, network-neutral fiber infrastructure over the next three years that will stretch across the city.

The city, which won't have to make a monetary contribution, will provide some city assets, including part of its dark fiber ring, its basic fiber network. In 25 years, the city can purchase the entire system for \$1.

The council's decision ended nearly a decade of unsuccessful efforts to bring ultra-high-speed Internet to local homes and businesses.

"Nobody's going to criticize the city of Palo Alto for rushing into this," joked Michael Eager, past president of the Palo Alto Fiber Net group.

In fact, the council's two youngest members, Sid Espinosa and Yiaway Yeh pressed their colleagues to take the slower, more traditional route of fleshing out a full business plan before proceeding.

"There are significant risks we're taking on," Espinosa said. "The health of our partner in this venture is critical."

But Mayor Larry Klein argued that the project's structure permits the involved companies to keep some of their business ideas confidential.

"It's not for us to second guess because they're putting in their money," he said.

A motion drafted by Klein and Council Member Yoriko Kishimoto to move forward without a business plan but bring on additional legal staff and technical consultants ultimately proved more successful, earning unanimous approval, except from Council Member Jack Morton, who recused himself.

At least a dozen residents spoke in favor of the proposal at Monday's meeting, including many locals who have been lobbying for fiber to the home for nearly a decade.

Senior center Avenidas board member Richard Adler said the proposal could help bring remote health care to aging baby boomers, as well as encourage independent living for longer.

"This is very exciting for Palo Alto's older residents," he said.

Eager said the plan met the shared hopes of the local tech community for an ultra-high-speed, open data network.

"This is what we asked for," he said.

But several local businessmen whose companies use the city's dark fibers expressed reservations about plans to cede management of their contracts to the new network operators.

"It's kind of alarming to hand the dark fiber contracts to the (consortium)," said Geoff Dale, vice president of engineering at Neapolitan Networks, one of the city's dark fiber customers. "There's always a chance something might happen."

Though the details will be hammered out in the upcoming negotiations, the council Monday approved paying the network operators a fee for managing its dark fiber customers after the city's fixed costs have been recovered.

City staff will bring an estimated budget for consultants and attorneys to the Aug. 4 council meeting and the detailed letter of intent is expected to be ready by September.

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