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**Competition Works! Sort Of...**

There are many in the telecom world who believe the ultimate answer to all things broadband is competition; if you can just get that dynamo of capitalism churning then you'll create incentives through competition to spur investment and innovation.

I've come across a few stories recently that suggest quite clearly that competition can work.

The best evidence of this is the impact of Verizon FiOS. You're starting to hear a lot more talk of DOCSIS 3.0, a new standard that promises to boost cable broadband speeds up over 100Mbps.

Why are you hearing this? Not because cable companies want to invest in their networks. They spent billions less than a decade ago and would much rather continue realizing a return on that investment.

Nope, the real driver of DOCSIS 3.0 has been Verizon's decision to lay fiber to the home across much of its footprint, allowing it to offer faster speeds than current cable systems are capable of. In fact in reading around, I'm not sure if I've heard of any DOCSIS 3.0 deployments, at least by the major cable companies, that weren't aimed at areas that have FiOS.

So this is a terrific example of the impact competition can have on innovation and investment. But there's a problem: FiOS isn't everywhere.

As such, this competition is leading to a situation where the rich are getting richer.

You could almost argue that communities with FiOS don't need DOCSIS 3.0 as much as communities without it. They already have one big pipe; is it really such a great thing for them to get a second one before the vast majority of the country even has one choice for 20Mbps+ broadband?

Another area where it's been interesting to watch the impact of competition has been the brouhaha surrounding Comcast's P2P traffic shaping.

I'm a little surprised it took them this long to take this approach, but Verizon and AT&T are finally capitalizing on the opportunity to turn this into a PR opportunity through openly expressing their support for P2P applications and their involvement in developing the P4P standard, which aims to make P2P more efficient for network operators and faster for users by focusing on delivering between peers on the same network.

This is exactly the kind of innovation we want to see in a competitive marketplace. One company screws up, so its competitors move in with innovative solutions that (hopefully) improve the consumer experience.
And these changes stand a better chance of benefiting everyone, not just those in areas where robust competition exists, as they should improve the experience of everyone on AT&T and Verizon's networks rather than only the people in areas where fiber is being deployed.

But even beyond that, I'm hopeful that this marks the early days of a new era where broadband providers begin innovating more purposefully with the goal of differentiating their services from their competitors.

If you don't want to just be a dumb pipe provider, then you've got to find new ways to add value to the services you offer consumers. Simply delivering the triple play and competing on price and the amount of HD channels and on-demand content isn't enough.

Not only that, it's my belief that the first companies to recognize the value of developing innovative new services to gain a competitive edge stand to be big winners as they gain first mover advantage.

And hopefully we can get this dynamo started sooner rather than later as if you can get competition to spur investment and innovation by multi-billion dollar companies, you have the potential to really start moving the needle.

App-Rising.com is written by Geoff Daily, a DC-based technology journalist, broadband activist, marketing consultant, and Internet entrepreneur.

App-Rising.com covers the development and adoption of broadband applications, the deployment of and need for broadband networks, and the demands placed on policy to adapt to the revolutionary opportunities made possible by the Internet.

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