

City hopes to boost Internet speed, compete with new line

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Santa Fe residents pay the same average monthly rate for Internet service as Albuquerque residents, but can only browse the Web at half the speed.

A \$1 million city project aims to close that gap. The money will fund an independent pipeline to the Internet in an effort that city officials hope will increase competition and drive up Internet speeds.

But some Internet providers aren't happy with the project or the way the city sidestepped open bidding in awarding the contract. One of the state's largest Internet providers questions whether the project is needed or will promote the diversity of providers sought by city officials. Another company threatened litigation before backing down.

City officials are undeterred. And ordinary consumers and businesses who rely on the Internet say anything that improves the city's plodding Web speeds is welcome.

"More broadband is the way of the future," said Jason Hool, president of Santa Fe Studios, whose clients consume massive amounts of bandwidth transferring digital video files across the country and the world.

"It's key to all of our clients, and that's only going to continue," Hool said.

The long and short

One of Santa Fe's major Web hubs rests in a nondescript gray building on Second Street, near the Rail Trail. The unremarkable building, known in industry parlance as a fiber hut, is owned by Century Link, which, along with Comcast, dominates the city's Internet landscape.

Inside, a maze of interwoven cables connects through a 2-mile line to the company's central telephone exchange along East Alameda Street amid downtown's many bars and restaurants. Most other Internet providers have to access that line to serve their customers, said Sean Moody, a project administrator with the city's economic division who is leading the Internet project.

Century Link acts as a sort of toll service, he said, giving the national telecommunications company tremendous control over the city's Web service.

"It's unregulated and uncompetitive," Moody said.

He believes that de facto monopolization of access is partially responsible for the fact that Santa Fe residents currently pay \$50 a month for an average speed of 5 megabits per second, whereas Albuquerque residents pay the same price and get 10 megabits per second.

Century Link denies that its control of the line inhibits competition. Company spokesman David Gonzales said in a statement that Santa Fe customers have many choices. For ordinary customers, that might be true. But for businesses that are wholesale buyers of Internet access, choices are limited.

That's where the city project would come in, Moody said. By building a parallel and independent line from Century Link's downtown exchange to its fiber hut on Second Street, providers would have an alternative to Century Link's line, Moody said.

Along the way, Cyber Mesa, a local Internet service provider that the city designated to carry out the project, would also tie fiber through the Railyard, the Capitol Complex, the Simms Building and the city's water department at 801 W. San Mateo Road. The link should foster competition and increase speeds as new providers vie for customers, Moody said.

Jane Hill, Cyber Mesa's owner, said the goal isn't to undercut Century Link but to provide "another way out of Dodge."

The city contract calls for creation of a new company, tentatively called "SF Fiber," which will sell wholesale space on the city's fiber lines. Cyber Mesa would run the company the first four years before the contract goes out to bid to other companies, Moody said.

Any profit from the sales would go to the company running SF Fiber, Moody said.

Cyber Mesa also is required to create a data center that will serve as another independent port to access the wider Internet.

The decision process

Moody said that when he first began the project, he wasn't sure what he needed, so he put out a request for proposals and received responses from Internet service providers Cyber Mesa, City Link, Century Link and Plateau.

Century Link, he said, told him not to waste money on the project, and Plateau's ideas weren't comprehensive enough, Moody said. That left Cyber Mesa and City Link.

Moody said he eventually canceled the request for proposals, citing a clause that allows the city to skip the competitive bidding process when selecting a utility service such as a water or power provider. Moody said telecommunications falls in that category.

It's one of many aspects of the city's plans that have flustered City Link owner John Brown, almost to the point of litigation. Foremost, he said, is Cyber Mesa's lack of experience compared to his own. He said he has more than 170 commercial accounts and hundreds of residential ones.

"Jane has a nice company," Brown said. "That doesn't mean that they're the right organization for this job."

Brown said that in his bid he proposed creating a 7-mile loop that would have accomplished the city's goals and provided additional coverage and redundancy. The city didn't bite, saying that he couldn't complete the project within the funding limits, he said.

Brown said he could, but the city remained unconvinced and instead opted for Cyber Mesa.

He also questioned the need for running cable through Century Link's central exchange, saying it was unnecessary and expensive.

Moody said the city wanted to connect to the central telephone exchange because much of the

existing Internet infrastructure already runs through it.

He said Brown has a good business model but it didn't meet the city's needs. "It wouldn't serve all the ways to access the Internet," Moody said. Cyber Mesa's plan does, he said.

As for Cyber Mesa's lack of experience, Hill disagrees. She said her company has provided Internet service for Santa Fe residents for years and has done plenty of fiber work, most recently in Silver City and for the Casas de San Juan development near the Santa Fe Opera. Moody added that he wouldn't have chosen someone he didn't believe was capable of completing the job.

Public response

Gonzales, the Century Link spokesman, said the company already pays "hundreds of millions of dollars every year" to bring broadband to more residents throughout the country.

"While we believe that public broadband networks that compete directly with private industry are not the best use of taxpayer dollars," Gonzales said in a written statement, "we support government initiatives to leverage existing infrastructure and extend broadband service to unserved areas."

Christopher Mitchell is director of the Community Broadband Networks Initiative with the Institute for Local Self-Reliance, a national nonprofit that advocates for local communities to solve their own problems rather than turning to national providers. He said many national telephone companies are positioned to be gatekeepers to fast Internet access, and they profit from it. He added that most Americans are struck with cable or digital subscriber lines, which transmit data over telephone lines.

"The city is trying to rectify it, and that makes sense," Mitchell said. "It's a good first step, but it can't be the only step."

Mitchell also warned that the city should not expect competition to flourish on its own, saying Internet giants such as Comcast and Century Link "have a lot of power to run competitors out of business."

Mitchell warned that Comcast and Century Link have a history of opposing public Internet infrastructure projects through legislation, and that the city should expect resistance if it continues building such projects.

"They're very happy with the market the way it is," Mitchell said.

Damian Taggart owns and operates MindShare Studios, a Web design firm. He said that for his day-to-day work of coding and creating Web pages, Santa Fe's Internet overall is "acceptable." But uploading or downloading large files can take hours.

"It will certainly be welcomed by all the Internet companies in town," Taggart said of the city's project.

Moody has said the purpose of the project is to bring faster Internet to Santa Fe to benefit high-traffic users such as the city's film studios, schools, hospitals and other businesses.

Hill said the city's project also could benefit smaller Internet providers, such as La Cañada Wireless Association. Joel Yelich, president of La Cañada, said the co-op provides service to about 400 members. La Cañada currently operates its service by leasing bandwidth from Century Link, but he said he will be watching the city's fiber-optic plans closely.

"I certainly hope that is successful in some way," Yelich said. "The more competition, the better."

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