

Is Broadband a Public Utility? A Right?

by Laura Forlano

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Few people in the city would argue that the subway system or the airports or even the water system were any more important to New York's economy than the networks of telephones, cables, computers and other high-tech devices that insiders like to call the city's telecommunications infrastructure. Yet telecommunications stands out from these other systems in at least three ways:

1. It is developed and operated almost entirely by private companies.
2. It is driven by technology that is constantly changing.
3. It is directed by policy set almost entirely at the state or federal level, not locally.

This is the conclusion of a new report by three city agencies, which offers ways to overcome the difficulties. "[Telecommunications and Economic Development in New York City: A Plan For Action](#)" (In PDF Format) aims to make the city's telecommunications infrastructure more

- Reliable
- Accessible
- And up-to-date

"Although New York City residents and businesses have access to an array of high-speed telecommunications connections and services that no other city can match, there are specific parts of the city where access is limited, such as Hunts Point in the Bronx and Sunset Park, Brooklyn," said Mayor Michael Bloomberg. "If New York City is to maintain its role as a world center of finance, communications and culture, we have to extend access to broadband [high-speed Internet] communications to all, as well as continuously improve the reliability of our telecommunications networks and take advantage of emerging technologies."

Among the 21 initiatives the team recommends:

- using federal funds designated for rebuilding Lower Manhattan to improve the telecommunications infrastructure,
- using city-owned property to support the deployment of wireless technology,
- encouraging Business Improvement Districts and other local organizations to promote wireless technologies
- collaborating with universities to develop new technologies and business ventures, and
- developing education programs for small business owners.

The plan does not go as far as to say that the municipal government itself should become an owner of a broadband infrastructure. But it doesn't say it shouldn't.

Municipally-Owned Broadband?

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The City Council's Technology in Government Committee, in addition to holding hearings to get public comments on the report, has also introduced legislation to create a task force on how broadband can be made available to all New Yorkers.

"Ensuring the availability of affordable broadband is about more than providing access to essential Internet tools like job resources, online banking and continued job training and education," says [Councilmember Gale Brewer](#), chair of the committee. "It is obvious that within the next several years those that do not have access to the new generation of broadband-driven communications technologies, such as Internet telephony (VOIP), telemedicine and telecommuting will be at a distinct disadvantage. We need to ensure that the city has the infrastructure to provide our small businesses, non-profits and low-income residents with the tools they will need to compete and flourish."

The United States currently ranks 13th in the world in terms of the percentage of its citizens who have broadband. As a result, a number of local governments have started to take a closer look at telecommunications in their own cities. However, there is considerable disagreement over whether or not broadband should be viewed as a public utility -- like water, gas or electricity -- that municipal governments have the right to provide the infrastructure for.

According to standard economic logic, governments should only step in to provide services when there has been a "market failure," or when the private sector has failed to provide a service competitively. In the case of broadband, many experts argue that there has been a market failure for a number of reasons. These include the fact that the United States has lagged in the penetration of broadband services, the cost of broadband is much higher than in other countries, there is little choice between broadband providers -- typically, the phone company and the cable TV company -- and, therefore, some areas still lack any affordable choices for high-speed Internet. Others disagree, saying that the market will eventually serve everyone at rates they can afford, thereby closing the gap that some call the digital divide.

In addition to the economic logic of market failure, there is a growing belief in the area of social justice activism that communications should be viewed as a right, similar to the right for food, shelter, clothing and well-being that are considered universal human rights. Whichever logic one uses, the fact is that [municipal governments from Philadelphia](#) to Chicago to San Francisco are treating broadband as a basic public utility that they have the responsibility to provide the infrastructure for.

According to a [Free Press report](#) (in pdf format), "The telecom and cable kings of the broadband industry have failed to bridge the digital divide and opted to serve the most lucrative markets at the expense of universal, affordable access. As a result, local governments and community groups across the country have started building their own broadband networks, sometimes in a purely public service and more often through public-private partnerships."

However, currently, ten states -- including Pennsylvania, Michigan, Minnesota, Washington and Utah -- have legislation barring municipal governments from providing telecommunications

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services. Thirteen more -- including Texas, Ohio, Colorado, Florida and Illinois -- are considering such anti-municipal broadband legislation, versions of which are being promoted around the country by telecom industry lobbyists from Verizon, Qwest, Comcast, Bell South and SBC Communications.

It remains to be seen whether New York's new broadband task force, if created, will recommend following the lead of cities such as Chicago and Philadelphia in ensuring that affordable broadband is available to all residents. If the public wants it, though, we better act quickly, before corporate lobbyists make their way to Albany.

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