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## All-in-one fiber optic telecom utility could bring many jobs for county communities

By Chris Vrba

Could the residents of some Pocahontas County communities soon see change in the capabilities and choice of telecommunications services coming to their homes? In a bold vision proffered by one Rolfe resident, the answer is "The capabilities are unlimited."

Though the preceding quote is not in direct reference to the question pondered, it serves as sufficient undergirding for the reasons why Nick Graham has championed the establishment of an interconnected municipal telecommunications utility in the towns of Pocahontas, Rolfe, and Fonda.

In Graham's view, current companies, particularly, the national firms serving the county and similar rural reaches have little incentive to bring 21<sup>st</sup> century technology to the northwest Iowa plain. He believes that state-of-the-art internet service, along with competitive television and phone service could help level the competitive playing field for economic development. And in Graham's opinion, who better than the communities, who have a vested interest in the quality of life and long-term viability of its area, to operate the system?

"Qwest, Mediacom, and Iowa Telecom have no interest in the immediate future of northwest Iowa. The local communities do," Graham said in a recent interview.

He feels that the towns are in a better position to respond to the needs of their customers than managers in far-flung suburban

corporate business parks.

"We've got control over it, and no one can take it from us," he implored.

**GRAHAM HAS SPENT THE** last several weeks making the rounds at city council meetings to pitch his plan. At its heart is an all-in-one delivery vehicle, fiber optics, which would bring unparalleled internet speed, television, and landline phone service to each home and business.

Fiber optic cable is unmatched in its ability to provide multi-modal communications. Cable capable of carrying 10 gigabits of information each second would branch from a loop circumscribing each town to each inhabited structure.

"The bandwidth potential is unlimited," he remarked.

It's understandable that that figure is techno mumble-jumble to many readers. To put it in perspective, the difference in volume of flow through the fiber compared to current services would be similar to the difference between turning your kitchen's faucet to a trickle while waiting for hot dishwater to ratcheting it full-throttle to dislodge that pernicious crud stuck to the bottom of the casserole dish - or the difference between the Des Moines River and little Lizard Creek.

The connection speed would allow users to stream high-definition and Blu-Ray video with none of those infuriating pauses while the video buffers. Fiber optics



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would accomplish this without the frequent fluctuations in service observed with direct service line (DSL) internet, available in about two-thirds of rural communities, and at far greater speeds than its closest competitor, cable. Graham estimates the fiber would be at least "20-25 times faster" than anything currently offered.

**WHILE STILL RELATIVELY INCHOATE** in detail, Graham's plan calls for the construction of dedicated fiber optic loops around participating communities. From these main circuits, branch cables would be connected to each residence or place of business.

The total cost to develop such a system is significant, but not insurmountable. He believes the total cost to establish the network in the three towns would be about \$2 million. Broken down, about one quarter of the cost would be burying cable in the three towns, with an additional \$100,000 to connect the network. He said it costs about \$10,000 per mile to bury cable in residential area, and about \$5,000 in the country. About half the setup costs would be the backend electronics required to operate the system.

However, Graham was quick to point out that cities could swiftly recoup investment costs. During his presentation at the Pocahontas city council meeting Dec. 6, Graham provided projections that payback would be in less than four years. He said he predicated those numbers on the municipal network servicing one of every three customers in the towns.

Using the same figure, he said the city could see about \$438,000 in annual revenue. It was with these numbers he requested city decision makers to strongly consider his proposal.

"We as a community need an alternative. They (large telecommunications providers) don't have any interest in bringing 21<sup>st</sup> century technology to the county."

**MUNICIPAL UTILITIES ARE COMMON** throughout the state. Many sprung up in particularly small communities in response to perceived high prices or refusal of service as cable television became universal over the past two decades. Graham sees a similar future in the digital tea leaves.

"I've seen a couple other municipalities make it work and make it work well."

He identified Spencer and Laurens as paragons of municipal initiative. Both communities operate a similar, successful telecom utility, though neither operation currently utilizes fiber optics. Graham wishes to take advantage of Laurens' existing infrastructure to establish the system and then add the fiber technology.

Graham also said there may be potential to reduce upfront costs if changes are made in the use of the state's existing fiber optic net. He noted that the Iowa Communications Network (ICN) would eliminate the need to





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connect and encircle the towns with cable. However, current rules prohibit such as use of the system, though state legislators have mulled revisions to find more use for the network.

"I think the current political climate supports changing regulations," he remarked.

**ULTIMATELY, GRAHAM BELIEVES THE** system would be another tool in economic developers' belts as they work to bring more and better jobs to the area. Primarily, the establishment of such a network would create an immediate set of administrative and operational jobs.

He noted that forming a network of municipalities and partnership with an existing provider in Laurens, would also bring an economy of scale. He reasoned that administrative, billing, technical, and maintenance resources could be pooled would provide customers a competitive cost when compared to existing services.

"I think there would be a lot of operational efficiencies," he commented.

Furthering the economic development cause, Graham believes demographic trends will continue to make cutting-edge technology in rural communities unpalatable to large providers. By contrast, he believes municipal investment will reap dividends as the towns could offer technology, especially internet access, on-par with or surpassing what can be obtained in large markets. If such an infrastructure is in place, Graham feels, the area could market its relatively low business costs (such as facilities, land, and power) to lure businesses – especially those reliant on sophisticated communication capabilities.

"We need to have the tools to recruit high-end businesses and employees. The only way to do that is with technology."

**GRAHAM'S EXCORIATION OF THE** telecommunications industry was reserved for the large corporations, which he feels have not and will not keep

the county at the level of service seen in metropolitan areas. He believed that smaller companies like Northwest Communications and Palmer Mutual Telephone Company could partner with the communities to provide the technical expertise necessary to establish the system and, potentially, help expand it throughout the region.

"I commend those guys. They pioneered high-speed internet in northwest Iowa," Graham remarked. "Who better to be involved?"

However, he noted that the DSL service currently offered by these companies is unable to keep up the demands of today's internet. As more customers demand access to more and larger pieces of data, such services will be obsolete.

"If we try to flood that with NFL football games and data, it just isn't going to work," he summarized.

No communities have made a decision on whether to pursue such a system. If city leaders were to accede to Graham's request, residents would make the ultimate decision. Electors would have the opportunity to vote on the question of their city establishing a municipal utility. In the late 1990s, Pocahontas voters authorized the council to explore such a scenario – specifically, cable television service.

At its meeting, councilman John DeWall expressed his preliminary interest in the idea. "I think it's something we need to look at." DeWall is the only member who served during cable municipalization discussions.

In conclusion, Graham feels a municipal telecom network would provide high quality service, better prices, and local employment opportunities for the towns it would serve.

"It would make the area a 21<sup>st</sup> century leader and provide a model that other communities would like to follow," Graham explained. "It's giving us another economic development opportunity. It's something we should do due diligence on."