

# Next Century Cities

## The Opportunity of Municipal Broadband

The Federal Communications Commission estimates that 21 million Americans don't have access to broadband internet (though this analysis has been widely proven to underreport the scale of the problem).<sup>1</sup> Municipal broadband networks provide an opportunity to connect the unconnected to the essential twenty-first century infrastructure. Over 500 municipalities have invested in creative public networks, using a variety of models to connect rural and underserved communities. Building a municipal network is rarely a community's first choice, but cities and towns have taken it upon themselves to connect residents to broadband when existing cable and telephone companies have chosen not to offer competitive services.

### The Benefits of Municipal Networks



*Municipalities use a variety of funding methods to build broadband networks. Most use funding mechanisms without direct taxpayer dollars, such as revenue bonds, loans, or Tax Increment Financing.*

Longmont, Colo. financed its city-wide fiber network through revenue bonds, putting no financial burden on the taxpayer.<sup>2</sup> Residents in Islesboro, Maine voted to accept a slight property tax increase to finance the bond that paid for their fiber network. The cost of funding the bond was comparable to the price they had been paying for poor quality DSL service.<sup>3</sup>

**For more information:** [How municipal networks are financed](#); [Creative funding sources for fiber infrastructure](#)



*Municipal networks are not a small undertaking but can provide immense long-term benefits to a community even beyond improved internet access.*

Chattanooga, Tenn.'s municipal network EPB not only retired its telecom debt, but revenues from fiber services were so high that the electric utility was able to forego several rate increases.<sup>4</sup> Virginia Beach, Va. leverages its fiber network to connect the city's government buildings, schools, fire stations, and more. By connecting these anchors directly as opposed to purchasing service from an ISP, the city saves at least \$500,000 per year.<sup>5</sup> Portland, Ore. had been paying \$1,310 per month per site to a private ISP to connect its schools. The district eventually switched to a publicly owned network, and was able to connect schools to a speed 40 times greater for just \$616 per month per site.<sup>6</sup>

**For more information:** [Municipal networks deliver local benefits](#); [Community broadband creates public savings](#)

### Why We Need Broadband

Americans need access to broadband in order to start businesses, compete for jobs, complete homework assignments, apply for a mortgage, find a polling location, and much more.

Connecting Communities



## The Benefits of Municipal Networks



*Municipal networks provide the robust access necessary for job growth and economic development.*

Lafayette, La.'s network helped attract new technology businesses to town, diversifying the local economy which had previously been dependent on oil and gas. In Chattanooga, the fiber network is estimated to have created up to 5,200 new jobs and up to \$1.3 billion in economic and social benefits in the community between 2011-2015.<sup>7</sup>



*Fiber utilities can drastically improve utility efficiency and city cost savings.*

Lafayette's "smart" electric grid uses fiber to monitor power and alert the city when there's an outage. As a result, the average length of a power outage in Lafayette is one quarter the state average, which saves ratepayers about \$25 million per year.

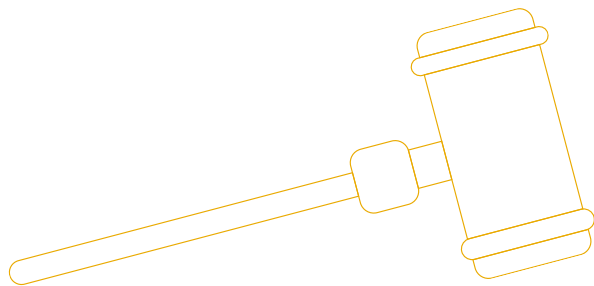


*Locally owned networks are committed to local success.*

Municipal networks are small, and the people who run them are members of the community themselves, creating a high level of visibility and accountability that is often not present with larger ISPs. Typically, the result is exceptional customer service, a vested interest in the community, and awards (see: [Ammon, Id.](#); [Longmont, Colo.](#); and [Clarksville, Tenn.](#)).

### What's Holding Us Back

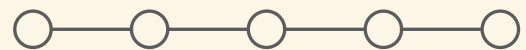
Municipal broadband networks present an opportunity to connect communities to this vital future-proof infrastructure—but many states have legislation in place that outright bans or de facto bars municipal networks from being built. Conservative analysis shows that over 11 million Americans—over half of the country's estimated unconnected population—who do not have access to broadband live in states where municipal networks are barred or outright banned by state legislation.



### How States Can Help

States can facilitate connectivity by:

- Allowing local governments the authority to build and manage network infrastructure and offer broadband services
- Including municipal governments among eligible awardees in broadband grant and loan programs



*Find more information about the hundreds of municipal broadband success stories from the Institute for Local Self-Reliance's [Community Broadband Networks Initiative](#) and from [Next Century Cities](#).*

### Sources

<sup>1</sup> <https://docs.fcc.gov/public/attachments/FCC-19-44A4.pdf>

<sup>2</sup> <https://muninetworks.org/content/longmont-prepares-vote-fiber-bonds-community-broadband-bits-episode-68>

<sup>3</sup> <https://muninetworks.org/content/islesboro-maine-finalizes-fiber-agreement-mainland>

<sup>4</sup> <https://muninetworks.org/sites/www.muninetworks.org/files/2017-05-TPA-boondoggle-rebuttal-final.pdf>

<sup>5</sup> <https://muninetworks.org/sites/www.muninetworks.org/files/2017-virginia-fact-sheet.pdf>

<sup>6</sup> <https://ilsr.org/wp-content/uploads/2012/11/fact-sheet-public-finance.pdf>

<sup>7</sup> <http://ftpcontent2.worldnow.com/wrcb/pdf/091515EPBFiberStudy.pdf>