

Dark fiber may help light up competition in broadband market - LA Times

The problem with cutting the pay-TV cord is that you still need a high-speed Internet connection. No surprise, then, that the big telecom companies are jacking up fees for broadband access.

But I have two words that should worry the likes of Time Warner Cable, AT&T and Verizon Communications.

Dark fiber.

What's that? It's all the unused fiber-optic lines out there just waiting to be leased by go-getting entrepreneurs so they can light up boutique broadband systems and compete with the big boys.

For an idea of how this can work, check out the example of Bel Air Internet, a local company that went from providing Internet access to a handful of Bel-Air homes about a dozen years ago to serving more than 30,000 customers throughout the region.



Terry Koosed, the president of Bel Air Internet, said these are potentially boom times for anyone with the cash and gumption to go toe-to-toe with the heavyweight telecom providers.

"We think it's just a matter of time before there's a breakdown of the entire TV model," he told me. "Young people — millennials — don't care about TV. They care only about the speed and quality of their Internet."

Elon Musk, Tesla Motors' chief executive, said Friday that he hopes to use a fleet of satellites for a space-based Internet service. That's one way of doing it — and it would come with an estimated \$10-billion price tag.

But there are plenty of cheaper resources already on Planet Earth to compete with the big phone and cable companies.

Dark-fiber network providers now mostly serve corporate clients, primarily in high-density areas such as downtown Los Angeles. But the owners of these networks say it wouldn't be tough to use them for residential communities as well.

Bel Air Internet relies on a combination of leasing dark fiber and using wireless

technology to provide high-speed Internet connections to apartment buildings, condos, hotels, student housing and other places where people cluster.

For \$38.95 a month, Bel Air will provide a download speed of 10 megabits a second, or enough digital oomph to stream a Netflix movie while surfing the Web. Faster speeds are available for incrementally higher prices.

And those aren't the "up to" deals that the big cable companies offer. Time Warner, for instance, offers up to 10 megs for \$29.99 a month, but only for the first year. It climbs to \$47.99 after that.

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Moreover, your actual speed almost certainly will be slower. Bel Air guarantees that if you're buying a speed of 10 megs, you'll get the full 10 megs, day or night, regardless of how many other people may be online. Also, there are no contracts to sign.

"What protects us from the monsters like AT&T and Time Warner is that I've never seen them committed to quality," Koosed said. "And we're just so small, they don't even care."

That could change as more people cut the cord and set out in search of reasonable and reliable Internet access. The introduction of HBO's streaming service later this year will be a strong incentive for many people to say adios to their pricey, 400-channel cable plans.

Consumers' choices are limited at the moment. But dark-fiber providers are expecting their networks to help bring increased competition to the broadband market.

"It's happening," said Jon DeLuca, head of Wilcon, one of the leading providers of dark fiber in Southern California. "The cable companies are still entrenched in the residential space, but that's changing."

The cable and phone companies have their own networks, of course, and they frequently lease their own dark fiber to others.

Beyond those guys, there are roughly a dozen other companies offering dark fiber in Southern California, DeLuca said. Collectively they own about 10,000 miles of fiber-optic cable.

But that doesn't accurately reflect available capacity because each fiber-optic cable has multiple strands, and it takes only a couple of strands to meet the needs of an Internet service provider.

"There is a ubiquity of dark fiber in Southern California," DeLuca said, "and the number is constantly growing."

Google, for one, is experimenting with its own fiber-optic networks in Kansas City, Mo.; Austin, Texas; and Provo, Utah. Thirty-four cities, including five in Northern California, are in the running to receive the service in coming years.

Also spooking the big telecom companies is President Obama, who last week called for cities to invest in their own broadband systems. He urged the Federal Communications Commission to make it easier for communities to wire their residents.

Steve DeFranco, California sales director for Sunesys, another dark-fiber provider, said a likely scenario is that a new breed of broadband Internet service providers will arrange to run fiber-optic lines to various residential communities.

Once in the neighborhood, wireless technology will be used to extend that service to

nearby homes.

"It's an area-by-area opportunity," he said. "It's just about getting more fiber into the region."

The telecom behemoths appear determined to make their current broadband customers as disgruntled as possible. Time Warner Cable, for example, recently jacked up its monthly modem-lease fee to \$8 from \$5.99 — an increase of nearly 34%.

"It's past time that we had more competition," Koosed at Bel Air Internet said. "It can cost a lot of money to get started, and you have to know what you're doing. But there's a mosh pit of guys out there with plenty of dark fiber."

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