Will Bell’s gigabit Internet boost the city?

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Last March, city leaders put ink to a resolution asking Google Inc. to bring its super-fast Google Fiber network to Cincinnati.

Immediately after the city’s plea, Cincinnati Bell Inc. CEO Ted Torbeck met with the resolution’s author, City Councilman P.G. Sittenfeld, to tell him there was no need to try to lure Google Fiber to the city: Bell already was about to roll out its own gigabit network.

Today, Cincinnati has joined Kansas City, the first Google Fiber city, and a handful of others that offer blazing-fast gigabit Internet service with speeds anywhere from 20 to 200 times faster than those on typical high-speed networks.

For the local economy, gigabit Internet could be a major boon. After all, more than 1,000 cities (including Cincinnati) courted Google to receive its gigabit Fiber network, in 2011. They all were hoping to capitalize on the cutting-edge infrastructure.

The power of gigabit speed
Bell Chief Technology Officer Tom Simpson is a fan of car metaphors. He said gigabit is like expanding a 10-lane highway into a 1,000-lane highway. Or driving a McLaren after trading up from a Geo Metro.

Bell offers gigabit Internet, starting at $90 per month, as it morphs from a telephony firm into a tech power player.

“Fiber is a big part of our transformation,” said Torbeck. “It’s becoming more and more important to businesses and consumers.”

Torbeck isn’t just giving a marketing pitch:

The difference in speed between standard high-speed Internet and gigabit speed is dramatic. It would take more than 25 minutes to download an HD movie — about 10 gigabytes of data — at Ohio’s current average Internet speed of 6.53 megabytes per second (Mbps). That would take seven seconds on a 1,000Mbps gigabit.

That made life easier for Strap, a 2014 Brandeis University graduate that allows developers to code programs for wearable technology once and then port it to different devices.

Strap CEO Steve Caldwell said the ability to quickly pull down large datasets added a ton of productivity to his team of engineers and scientists.

Those kind of capabilities — and a $1.25 million CincyTech-led seed round — impacted the decision to locate in Cincinnati after graduating from the Brandeis.

“When I look at cities around the country, the most progressive ones are doing whatever they can to support new technology businesses,” Caldwell said. “Cities that have providers who are aggressively expanding their fiber infrastructure and providing next generation bandwidth clearly have our interests in mind, so yes, the availability of gigabit goes a long way in how we choose to expand our business.”

Kansas City’s story
Kansas City has experienced that in the wake of Google turning on its Fiber network in 2011.

That launch brought about with it bold predictions of economic development that would attract new tech companies, boost education and bring savvy young workers to the city.

Two and a half years later, the promised revolution is looking more like an evolution. But gigabit service is having an impact on Kansas City, and has spurred competition. Time Warner Cable tripled Internet speeds in Kansas City without raising prices, and AT&T announced its plan to offer gigabit there, as well.

(Time Warner. Bell’s chief rival, offers 50Mbps as its top speed, and a spokesman said gigabit wasn’t in its immediate plans. Time Warner’s future locally is in flux, too, as the market could switch to Charter Communications if Time Warner’s merger with Comcast is approved by federal regulators.)

Google Fiber also has had an impact on development with the Kansas City Startup Village moving to the first neighborhood to receive gigabit spreading worldwide and fast-growing tech company the Nerdery planning a $4.3 million expansion into Kansas City over the next five years.

Cincinnati could become equally attractive to technology companies — especially startups — with gigabit.

“Most startups just need a lightning-fast Internet connection and a laptop,” said Mike Bott, general manager of nationally recognized startup accelerator the Brandeis. The Brandeys headquarters was the first building in Cincinnati to receive gigabit under a pilot project with Cincinnati Bell.

‘Time is money’
It’s not just tech companies that can benefit from gigabit. The speed enables more efficient cloud computing for all businesses. There are

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SPEED TEST
Bell’s new gigabit Internet service features speeds as fast as 200 times that of standard high-speed service. Here’s a comparison of approximately how long it would take to download 10 gigabytes of data.

DOWNLOADING
Using standard high-speed Internet

TIME: 25 MIN.

DOWNLOADING
Using 1,000 Mps gigabit

TIME: 7 SEC.

GIGABIT PLANNED
In addition to the cities listed on page 5 that already have gigabit Internet, these markets have plans to introduce it soon.

- WINSTON-SALEM, N.C.
- RALEIGH, N.C.
- DURHAM, N.C.
- AUGUSTA, GA.
- FT. LAUDERDALE, FLA.
- GREENSBORO, N.C.
- JACKSONVILLE, FLA.
- HOUSTON
- MIAMI
- OAKLAND, CALIF.
- CHICAGO
- ATLANTA
- SAN ANTONIO
- SAN JOSE, CALIF.
- ST. LOUIS
- SAN DIEGO
- LOS ANGELES
- CLEVELAND
- SAN FRANCISCO
- GAINESVILLE, FLA.
- URBANA-CHAMPAIGN, ILL.
- CHANUTE, KAN.
- LONOMONT, COLO.
- LEVERETT, MASS.

a lot of misconceptions about cloud computing, but at its core it offers workers the capability to access files, information and infrastructure from anywhere there is Internet and work from a tablet or laptop as if they had the backing of a much more powerful machine, said Greg Smith, chair of Xavier University’s management information systems department. Smith compared it to the old terminal systems in the 1980s where a workstation was connected to a much more powerful computer. With the cloud, that powerful computer doesn’t have to be on-site, and companies don’t have to pay for its upkeep.

Gigabit ‘differentiates us’
Sittenfeld, who chairs council’s Education and Entrepreneurship Committee, said gigabit will have a big impact.

“Time is money, and seconds – even nanoseconds – matter,” he said. “Gigabit also helps with business attraction, especially for the tech community. This sends a message that we’re a competitive, forward-thinking city.”

Gigabit Internet also has power as a marketing tool to help Cincinnati attract new companies.

“Having that capability differentiates us. It helps us selling the region showing that we’re a high-tech city,” said Johnna Reeder, CEO of the Regional Economic Development Initiative (REDI). “You can’t be a community that’s living in the dark ages.”

More than 12,600 jobs in the Greater Cincinnati region are in the IT sector with an average salary of $98,000. It saw 34 percent growth from 2010 to 2012, and that’s only expected to accelerate, Reeder said.

“You’ve got to have the infrastructure to grow that sector.”

Here’s the infrastructure: Cincinnati Bell is investing $200 million to build out Fiopitcics over the next two years, and it should cover 75 percent of the region by the end of 2016.

Simpson said adoption has been relatively slow so far. Of the nearly 6,000 new Fiopitcics customers the company signs each month, the number who elect to get gigabit is in the dozens.

“Like everything else, you have an early-adopter curve,” Simpson said. “You have the tech savvy/nerd among us who want it just to have it. It’s like having a sports car that does 200. You might not drive it that fast, but you have it. And then there are customers who have it because they need it for them and their customers.”

But to the new generation of high-tech businesses and advanced manufacturers, the pipes that carry the Internet have become just as important as the roadways and waterways that carry goods. The way the economic development industry talked about roads and bridges and railways 20 years ago is the way it’s talking about Internet now.

“It’s a different way of discussing infrastructure,” Reeder said. “And if we’re not on the cutting edge of that, we’d be back in the day of our grandfather’s rust belt.”

That kind of speed can be a game changer for communication: hospitals can have multiple doctors engage in telemedicine over video at the same time; manufacturers can send and receive large CAD/CAM files instantaneously; retailers can offer free Wi-Fi to their customers as well as interactive apps that enhance the in-store experience; businesses can video conference with anyone in the world using gigabit and have audio and video quality as if the person is in the room, Xavier’s Smith said.

“Having gigabit available to us is a new world,” Smith said. “It’s going to bring down-load speeds that are unbelievable to most of us.”

The price equation
Gigabit is now available to any customer who is connected to the Fiopitcics network, which currently reaches about 40 percent of Greater Cincinnati.

Bell’s gigabit is priced at $90 a month for the first year, after which it goes up to $100. That puts it in the middle of the pack for cities that offer gigabit service.

And Google and AT&T offer gigabit for $70 a month, but that’s subsidized through the companies monitoring users’ Internet traffic to better target ads. CenturyLink provides gigabit to more than a dozen cities for $79.95 a month. Gigabit can get expensive too, costing residents of Rochester, N.Y., $250 a month. Bristol, Va., gigabit customers pay $320 a month.

Prices will no doubt drop. But either way, Smith said, “It’s going to reshape the way we communicate for years to come.”