High-Speed Internet and Your Community

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Technology is going to drastically change the way we design and live in our communities. Whether you like it or not, autonomous vehicles, online education, remote health diagnosis, and the internet-of -things are going to change our communities more in the next ten years than we have experienced in the last 100 years. Communities that adapt to the coming transformation and changes will find more success than those that refuse to adapt.

High-speed internet is now as important to your communities as clean water, sewage systems and roads. High-speed internet won't guarantee success anymore than having a baseball diamond, clean water, and a paved main street. However, those who don't have it could guarantee failure when their populations shrink as families and businesses leave. Having high-speed internet does not assure success, but having it certainly gives you a fighting chance to be competitive.

Some municipalities discover they have a challenge when they try to lure in private internet service providers (ISPs). The ISPs aren't interested, because the returns from a sparse or small customer base don't support the investment in infrastructure. That can be frustrating, and leads some municipalities desperate to get the service to make poor decisions. Namely, instead of building infrastructure and paying it off by leasing it to multiple private ISPs, they often decide to build the infrastructure and be the ISP. Therein lies the problem.

The municipal ISP usually won't let any private sector ISPs rent or use the infrastructure they built with taxpayer dollars. And no ISP wants to offer the service anyway, because they would be trying to compete with a municipal corporation that can use tax dollars to subsidize their rates. That means no competition. Yet competition is what keeps the technology up to date and prices reasonable. So, costs creep up, while technology becomes obsolete. Soon, the municipality is in a bind and must invest more tax dollars in technology to support an inefficiently operated and costly ISP. You are stuck with a high cost white elephant that no longer meets the ever-growing technological needs of the community.

A smart way for municipalities to avoid this is to focus on infrastructure only and leave the rest to the private sector. Imagine it this way: Not a single trucking company can afford to build all the roads it would need to have a successful hauling business. That's where government comes in. It builds the road infrastructure, and private companies pay taxes and fees to access that road network. That is how it works with high-speed internet technology. Building towers or installing fibre that is open to any company to rent allows the municipality to pay off the infrastructure over a longer time and at a more affordable rate.

There is a second mistake municipalities make in this step of the decision making, however. It still needs to be affordable. Municipalities are responsible for using tax dollars well. There must be a business case done that indicates the investment and its payoff period, the opportunity for revenue from private ISP rentals, and the opportunities for use. If the investment brings high-speed internet, which attracts new families and businesses, and a new tax base, so that the costs can be paid down in a reasonable time, that is wise planning. If the investment is too large, can't generate revenue, or is simply going to mean faster Netflix and gaming downloads, you must question the value of the investment.

High-speed internet is critical to the future of your community, but make sure you aren't driving away business, or overbuilding on the presumption that high-speed internet alone will save your community. Roads are important, but we don't build four lane highways everywhere as though they alone will bring in traffic. Establish a sound business case. Ensure an affordable investment that can reap dividends for the community, and ensure your plan encourages competition and business growth.

This syndicated content is provided by Doug Griffiths, best-selling author and chief community builder at 13 Ways, a company with a mission to push communities to face their challenges to find their unique path to success. For more information visit www.13ways.ca, or we can start the conversation at info@13ways.ca.