

THE DAILY NEWS

SERVING THE PENINSULA

Atherton □ East Palo Alto □ Los Altos □ Los Altos Hills □ Menlo Park □ Mountain View □ Palo Alto □ Portola Valley □ Redwood City □ San Carlos □ Stanford □ Woodside

Tuesday, April 14, 2009

Palo Alto may revive fiber plan

City to seek stimulus money to pay for it

BY WILL OREMUS, DAILY NEWS STAFF WRITER

Palo Alto isn't giving up on its dream of providing ultra-high-speed fiber Internet service citywide, even though its only concrete plan has fallen through.

At the same time that it formally dissolved an agreement with Calgary, Canada-based Axia NetMedia, the city council on Monday voted unanimously to explore partnerships with other companies, including those involved in similar projects in Singapore and Australia.

The city will also use consultants and a lobbyist in Washington, D.C., to go after stimulus money for certain broadband projects, despite criticism from some that the funding is intended for rural and under-served communities. But its main focus will be the potential for a new agreement that could provide the universal access officials have long sought.

Council members were not excited about an idea to move toward wireless Internet technology as a stopgap while looking for funding for a broadband fiber network. While more expensive, fiber is much faster than wireless technology at this point, experts said — and Palo Alto's municipally owned underground fiber system puts it in a unique position to create such a network, despite the recent setback.

"I think this is something we really need to pursue," Council Member Larry Klein said of the broadband fiber concept. "It's a 21st-century technology. There are other places in the world that are doing this, and some of them do compete with us."

Klein rejected staff's initial proposal to try to phase in the technology over time by expanding the existing network to customers willing to pay for the extensions. Instead, he suggested reaching out to providers that may have new ideas for how to build a citywide network without draining city funds.

Palo Alto's deal with Axia fell apart in March after almost a year of negotiations when the company made it clear it wanted the city to contribute millions each year to the project. In looking for a private-sector partner, the city initially stipulated that all of the money for startup and operations come from that partner.

Officials and members of the city's broadband advisory committee said Monday that restrictive language may have scared off some of the most qualified companies. Council Member Pat Burt noted that the city eventually "sweetened the pot" in its negotiations with Axia. If it started with a more attractive first offer, he suggested, it might find another company willing and able to build the network as originally envisioned.

Andy Poggio of the advisory committee said tailoring the city's plans to attract federal stimulus money — by, for instance, emphasizing public safety applications — wasn't the best way to move forward. While the city's projects have the advantage of being "shovel-ready," they don't mesh with the Obama administration's goals of promoting Internet access in technologically impoverished areas.

Klein generally agreed, though he noted there is a small pot of money intended for "demonstration projects," which don't need to be done in rural communities. For that reason, he proposed continuing to seek some stimulus funding while emphasizing further outreach to private companies.

The council unanimously backed his motion. City staff will return to the council with an update on its efforts in June.

E-mail Will Oremus at woremus@dailynewsgroup.com

URL: <http://thedailynews.ca.newsmemory.com/ee/thedailynews/default.php?pSetup=thedailynews&curDate=20090414&goTo=>

© Copyright 2009. All rights reserved.