

Testimony of

Mr. Paul T. Morris

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United States Senate Committee on the Judiciary
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"Reconsidering Our Communications Laws: Ensuring Competition and Innovation"

1. Introduction

Thank you very much for the invitation to testify today. My name is Paul Morris, and I am the Executive Director of the Utah Telecommunication Open Infrastructure Agency, which we call "UTOPIA" for short. UTOPIA is an interlocal entity created by 14 cities in Utah, with nearly 500,000 residents. We are constructing one of the nation's largest community broadband projects.

2. UTOPIA's Purpose

These municipalities formed UTOPIA to provide every household and business within their boundaries access to a next generation, high-speed, competitively priced broadband connection. There are two key reasons for this investment: first, to promote economic development; and, second, to enhance the quality of life for residents. UTOPIA member communities concluded that the best way to achieve these goals was through the construction of an all fiber optic network that operates on a wholesale basis and leaves it to the private sector to provide the telecommunications services to the customer; a true public/private partnership.

3. Role of Municipalities

As you are aware, cities across the country have become actively engaged in supporting the deployment of new broadband infrastructure in their cities. Some cities are supporting wireless projects while others are focused on fiber-to-the-premises infrastructure. Some are doing it on a retail basis, others on a wholesale basis, and some are a hybrid of the two. Many of these projects involve public/private partnerships. The common thread is that each community believes upgrades to its broadband infrastructure are essential to its economic vitality.

Allowing local elected officials to judge how important advanced broadband availability is to their communities and letting them determine how best to secure its deployment stimulates innovation. The accumulated experience of local responses to local conditions is a valuable source of learning and adaptation for all communities in the nation.

4. UTOPIA's Story

About four years ago a few local officials in Utah began exploring the best way to provide advanced telecommunications services within their jurisdictions. They acted on the conviction that their communities needed access to services that would be second to none, both in terms of bandwidth capacity and competitive pricing. These local leaders carefully examined the options. After extensive evaluation, they concluded that a fiber-to-the-premises network was the best alternative for both current and future applications and that it should be operated on a wholesale basis. Fiber supports virtually limitless bandwidth, enabling multiple private service providers to offer unparalleled competitive services over a common transport infrastructure without getting in one another's way. The wireless alternative as a primary broadband infrastructure was rejected because it did not satisfy the communities' goals. Wireless tools did not support the needed bandwidth capacity. The UTOPIA cities understood that wireless and fiber networks are not substitutes for each other but rather are complementary. Fiber offers plentiful bandwidth while wireless offers mobility.

These leaders also recognized that working together to aggregate resources would further assist in achieving these important community goals. UTOPIA comprises urban and rural, and large and small cities. The largest community has a population of 130,000 and the smallest is 2,500. But together they have a combined population of almost a half a million people which allows for multiple competitive providers to offer services and be profitable.

After two years of study and planning, UTOPIA issued an \$85 million revenue bond in July 2004 to build its first phase in six of the 14 cities. At this point, 25,000 homes and businesses are ready for service, over 4,200 have signed up with one or more of our four current private service providers, and more are signing up daily.

5. Open Wholesale Fiber Network

The UTOPIA Network is different from the broadband infrastructure typically found in our country, for three significant reasons:

a. Symmetry: Users can send information just as quickly as they can receive it. Traditionally, the focus has been on download speeds. But human communication for entertainment, business activity, social cohesion, and family unity needs to be interactive. We need not only to see but to be seen. Giving individuals the ability to send as quickly as they receive can be transformational. It allows for quick dissemination of data rich content and enables a high quality real time communications experience.

b. Capacity: A fiber network has incredible bandwidth capacity, enabling new applications such as inexpensive high quality video conferencing, distance learning, high definition IPTV, telemedicine, and telework. We currently are working with private companies to test three new applications that require the bandwidth that an all-fiber network can support. Two of these tests are being conducted by an international media company and involve a whole new way of viewing video content. The third, is an inexpensive high quality video chat that is easy to install and use.

c. Wholesale: Both the symmetry and bandwidth capacity of the network enable the implementation of UTOPIA's philosophy of operating the network as a wholesale public infrastructure. Much like an international airport, constructed by a municipality to enhance the local economy, UTOPIA is building the electronic airport but not "trying to fly the planes." It is neutral between its service providers and will not compete against them in the provision of services to customers. This allows for robust competition, the introduction of new services, and innovation.

6. Pending Federal Legislation

As you consider the legislative proposals pending before you, we believe that it is prudent to recognize the vital role government has played in the development of all major infrastructure in the history of the United States, from railroads and canals to water, sewer, and power systems; from highways to the current telecommunications networks. Municipalities have a key role to play as we work together to provide the most competitive and advanced telecommunications system in the world.

We believe that legislation that recognizes this role and allows municipalities to chart their own course should be supported. Specifically, the original draft of SB 2686 dealing with municipal participation in broadband developments was of great concern to us. However, the provisions found in "Title V - Municipal Broadband" in the Staff Discussion Draft of SB 2686, dated June 9, 2006 is a great improvement and we support its concepts. Similarly, the telecom reform bill passed by the House last week has similar language that is a positive approach.

Also, there has been much debate over network neutrality. While UTOPIA has not taken a position on network neutrality as applied to other networks, our network solves this problem without the need for regulation. We understand the concern over the public policy implications raised in the debate, but with an ample supply of bandwidth coupled with multiple service providers freely competing for the consumer's dollar on a network such as ours, the free market will resolve the issue. One of our concerns is the scope of the language of some network neutrality proposals and its implications as applied to an open network.

Thank you for your time. I look forward to working together to advance our common interests. I am happy to answer your questions, or to respond to any follow-up requests afterwards from your staff.