



The Role of Municipal Government In Australia's Broadband Future

*ATUG Presentation
15 May, 2007*

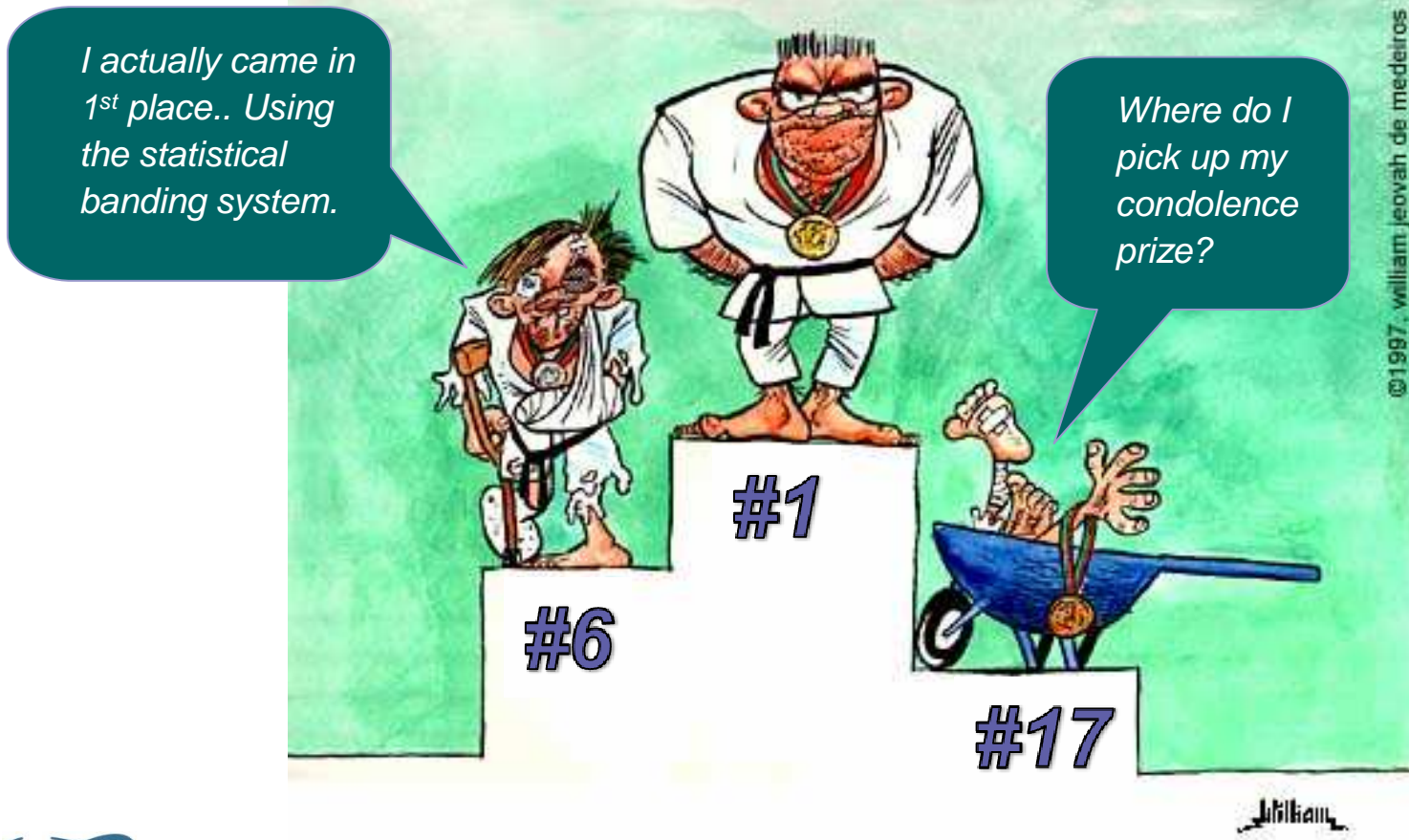
A critical issue for the 21st Century

“Our greatest responsibility is to be good ancestors.”

Dr. Jonas Salk

Market Clarity?

The OECD Olympics



Statistical Banding with France

MuniWireless

The Voice of Public Broadband

Iliad announces FTTH network in Paris and other French cities

Iliad is [announcing today](#) that it will be offering high-speed broadband (with symmetrical 50 Mbps service for 30 EUR per month) in Paris starting in the first half of 2007. They will also offer FTTH service in 6 to 7 municipalities in the Haut-de-seine and 3 other large French cities. Iliad is the company that offers very [inexpensive triple-play service](#) through its subsidiary, Free, the second largest ISP in France after Orange (a subsidiary of France Telecom). It will open the FTTH network to **wholesale customers**.

But it's an exciting offer for customers and industry observers, as Iliad plans to offer a fiber connection with access speeds of up to 50 Mbit/s, unlimited voice calls within France and to some international destinations, high-definition TV, and an optical terminal for the home, all for €29.99 (\$38.08) per month, the same price as its current ADSL2+ offer.

This optical fibre roll-out will allow the group to gain full independence from the traditional operator, while improving margins and further increasing market differentiation.

This optical fibre project is Free's contribution to achieving the public authorities' declared aim of positioning France at the leading edge of information technology.

Moreover, it is fully in line with the Paris city council's goal of fostering the development of very high speed Internet access in the French capital.

The "Paris – Digital City" project launched by the city's mayor has caught Free's attention which would like to thank all municipal departments concerned for their assistance.

The decision by the Paris Municipal Council on 10 July 2006 to authorise the deployment of several thousand kilometres of optical fibre cables under a public property occupation agreement, has enabled Free to sign up to the "Paris – Digital City" project.

The Role of Local Government in Broadband

“Digital technology is revolutionizing our world. It is changing the way we do business, the way we learn, the way we buy, and the way we interact with each other.

It is creating a world in which the manufacturing of ideas is as important as the manufacturing of goods.

It is diminishing the supremacy of traditional economic assets - such as natural resources, proximity to marketplaces, and weather – and increasing the importance of an evolving telecommunications infrastructure.

Just as we became world renowned for our ability to move people and goods, our next challenge is to ensure that we have the infrastructure and human capital in place to move ideas.”

*The City of Chicago
Wireless RFP – Sep. 2006*

Evolution of Incumbent Response in the U.S.

AKA – The Five Stages of Grief



“There's no way this can seriously challenge us!”

“How dare they challenge us like this! To the regulators to squash this at once!”

“Instead of banning it, lets regulate it to create a 'level playing field'.”

“We are no longer going to lobby on this”

“Maybe we can figure out how to make money on this!”

2004

Wireless Philadelphia is announced. Verizon Challenges.

2005

15 State bills introduced to prohibit municipal entry.

2006

More lenient federal provisions are introduced into telecom reform bill.

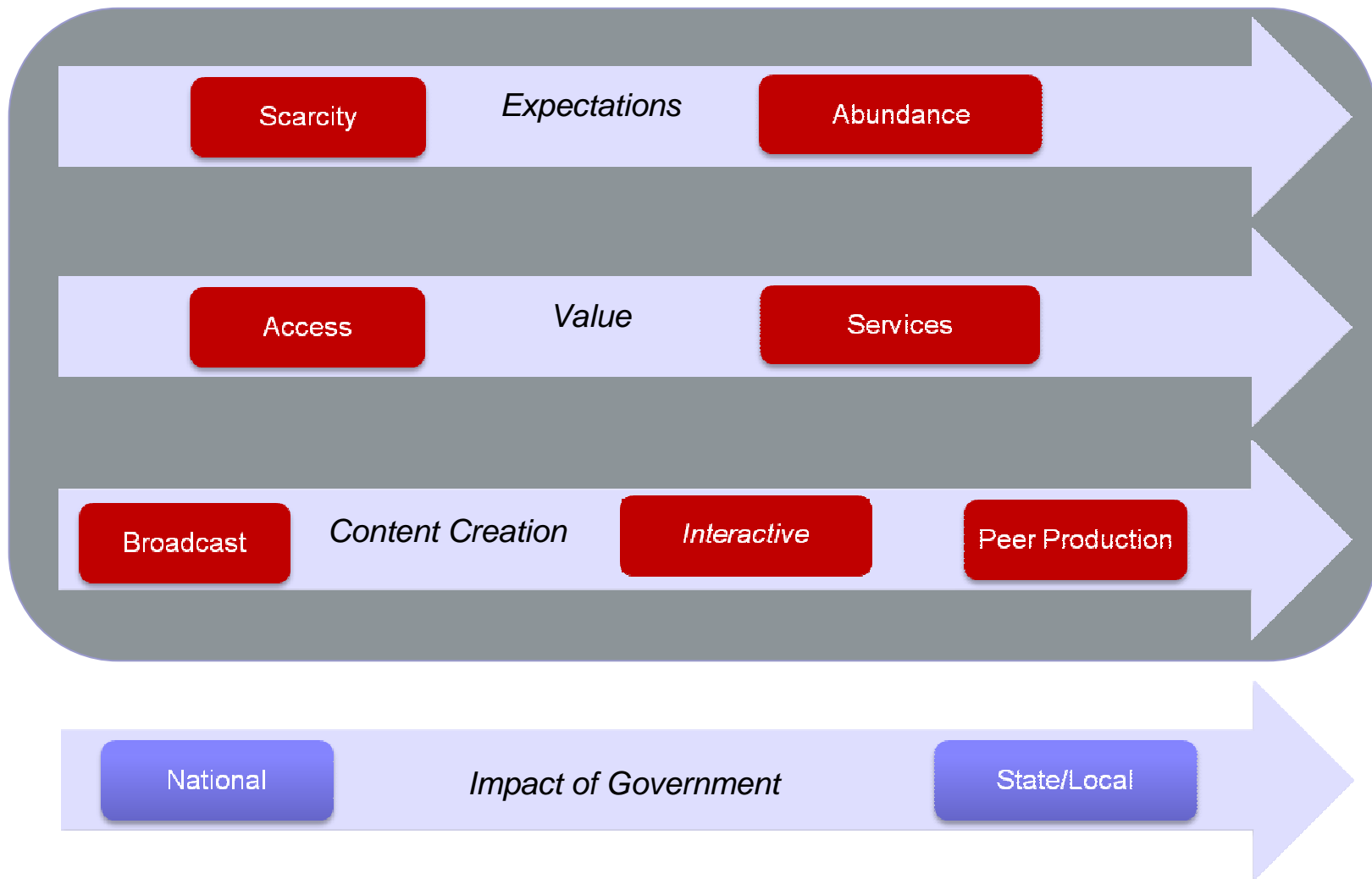
2006

Verizon admits Philadelphia challenge was “a debacle.”

2007

AT&T responds to Chicago Wi-Fi tender, proposing free tier of service.

Transformation



Key Messages

- Local government has a role to play
- National policy is critical, but not enough
- FTTN is not the goal, but one of many means
- It is possible to align the assets and motivations of the public and private sector
- Subsidies indicate that a market inefficiency exists - and they pollute the thought process on both sides

The right policy is one that creates market conditions that make regulation unnecessary..

Communities have to commit..

“You know the difference between involvement and commitment don't you?”

In a meal of bacon and eggs, the chicken is involved, the pig is committed “

Richard Pratt



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